

THE TIMES

Problem of drink
and the
train driver, p 16Last of the
royal
Victorians to
take salute

By Philip Howard

Princess Alice, Countess of Athlone, is taking the salute at the Royal Tournament tonight. The doyen of the Royal Family is carrying on with her official duties with characteristic conscientiousness and punctuality on the day that she sets a record by living longer than any previous member of the British Royal Family. She was born at Windsor Castle on February 25, 1883, and so attained the age of 94 years and 140 days today.

If we disregard such long-lived mythical ancestors of the Royal Family as Woden (according to *The Anglo-Saxon Chronicle*), until today the oldest member has been Princess Augusta, Duchess of Mecklenburg-Strelitz, the elder daughter of Prince Adolphus, Frederick, first Duke of Cambridge and seventh son of George III. Augusta died in 1816, aged 94 years, 139 days.

For the purposes of this calculation we disregard as foreigners Princess Anna of Montenegro, a great-aunt of the Duke of Edinburgh, who lived to the age of 95 years, eight months and the ballerina Mariette Slesinska, mistress of the Tsar Nicholas, who ended her days as Princess Marie Felixovna Romanovskaya. Krassinsky, aged 99 years this month.

Princess Alice is Queen Victoria's last surviving granddaughter: a magnificent survival from the nineteenth century and last representative of the Victorian virtues. She has been an active participant in royal pageants for more than 80 years: she rode in Queen Victoria's diamond jubilee carriage procession to St Paul's in 1897, and this year in the Queen's silver jubilee procession to St Paul's.

The Queen's great-aunt can be seen in a white party frock at the age of four in the official portrait of the Royal Family at Victoria's golden jubilee in 1887. She stands prominently in the background facing the august matron.

The Queen has lent the painting by Laurits Tuxen to the Royal Academy's exhibition "This Brilliant Year". On her nineteenth birthday Princess Alice said: "I have extraordinarily good health. We have always been outdoor people, and I go for a walk every day. The grand old lady of the family, in which longevity is a potent matriarchal attribute, is a stickler for protocol. She has an old-fashioned respect for the disciplines of her royal calling.

She refused to ride in the Irish state coach to Princess Anne's wedding on the ground that a princess of her rank in the official list did not rate so prominent a vehicle. She drove by limousine instead.

She refused to appear on the balcony of Buckingham Palace with the rest of the Royal Family after the Queen's birthday parade in 1972 on the ground that she was at least as old in official mourning as the Duke of Windsor. She was up on the balcony after this year's parade wearing her silver jubilee medal.

She was made a Lady of the Order of Victoria and Albert in 1898 in recognition of her

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The New York skyline and Brooklyn Bridge in darkness during Wednesday night's power failure. A building on the left is lit by emergency power.

2,500 held
for looting
in blackout

From Nicholas Fraser

New York, July 14

Two thousand five hundred people were arrested for looting after a power failure plunged New York into darkness last night. This afternoon much of the city was still without electricity.

The blackout occurred with little warning on a typically stifling and humid New York evening. According to officials of Consolidated Edison, New York's electricity company, it was the result of a series of local power failures which could not be compensated by the already overloaded east coast grid.

At 8.30 pm an oil pool at a Consolidated Edison plant in Westchester County, north of New York, was struck by lightning. The resulting fire caused an explosion in a nearby transformer, sending flames 300ft into the air and cutting the transmission lines linking up-state power plants with the city. A nuclear power plant half a mile from the damaged transformer was immediately shut down on safety grounds.

From their Manhattan headquarters, Consolidated Edison

technicians made a series of selective cuts in order to reduce the strain placed on such facilities as were still functioning. The first sign that anything was amiss came when television images throughout the city shortened and blanked out as the 5 to 8 per cent reductions took effect.

However, the cuts did not achieve their aim. At 9.30 pm, the city's main power station in Queens became overloaded and went off the line. "We had hardly got started when the whole system went down," Mr Charles F. Luce, the chairman of Consolidated Edison, said.

At 9.34 pm, the city dimmed for three seconds and blacked out. "All of a sudden New York disappeared," a diner at the top of the quarter-mile-high World Trade Centre

building said. "All you could see was New Jersey."

Shoppers and store windows were smashed with dustbins and goods pulled out on to the pavement. In Times Square gangs of teenagers broke windows and lit fires of rubbish. A police spokesman said that 28 officers were injured in the course of making 2,500 arrests last night and this morning.

Mr Beame told a press conference that prospects for full restoration of power were still vague and accused Consolidated Edison of "gross negligence". He said New Yorkers had been "needlessly subjected to a night of terror in many communities that have been wantonly looted and burned."

In the city's middle class neighbourhoods, the night was relaxed, even pleasant. Crowds drifted from bar to bar in search of shrinking stocks of cool beer. The city's all-night

Continued on page 8, col 4

Hull jail riot
inquiry
finds errors
by staff

By Peter Evans

Home Affairs Correspondent

The report of an inquiry into a four-day riot at Hull prison disclosed yesterday that the board of visitors there had given warning to the Home Secretary more than a week before the riot, that the jail was "a powder keg" because of restrictions on prison officers' overtime.

The board's letter to Mr Jenkins, who was then Home Secretary, recommended that Hull should be insulated from the general security cuts in the Prison Service.

Mr Jenkins's successor, Mr Rees, said in a parliamentary written reply yesterday that the report showed that "the escalation of the incident also owed something to faults in the handling of security about the prison and to operational decisions on the spot that can, with hindsight, be seen as errors of judgment."

But the aim of a prison like Hull was to achieve a relaxed and purposeful regime within a secure perimeter. Any errors must be seen in that context.

Mr Kenneth Daniel, general secretary of the Prison Officers' Association, said last night that the previous April 2 had told the Home Secretary of the dangers of restrictions on overtime in prisons like Hull, which contain dangerous men. "We were studiously ignored," he said.

The association's policy favours the idea of concentrating such men in one or two prisons instead of dispersing them, as now, to such prisons. But Mr Rees said yesterday that he would not turn towards such a policy.

Mr John Prescott, Labour MP for Kingston upon Hull, East, told me last night that he had received letters smuggled out of other dispersal prisons suggesting that riots would take place there. He said evidence in the report did not bear out its suggestion that the regime at Hull was liberal.

The report, which is by Mr Gordon Fowler, Chief Inspector of Prisons, says the regime at Hull was not harsh or repressive. The riot had no single cause but certain prisoners exploited a demonstration intended to be passive.

It criticises prison officers who stripped some cells with "excessive zeal" to make room for surrendering prisoners. As a result some prisoners' property was damaged and disappeared.

Report, page 5

Labour may allow tax
relief on capital gains

The Government is hoping to provide tax relief in next year's Finance Bill to offset the effect of inflation on capital gains.

Mr Denis Davies, Minister of State at the Treasury, told the Commons last night. He said the Government recognised that inflation had a considerable effect on capital gains.

The question would be looked at sympathetically. Sir Geoffrey Howe, QC, for the Conservatives, urged that if gains in capital values were to be taxed they must be real and not paper gains.

Parliamentary report, page 6

Export and trade
trends improve

Britain's trade deficit increased by £36m to £287m in June, but imports were inflated by £250m worth of North Sea equipment. Exports, too, showed a more encouraging trend, rising 5 per cent over the May figure.

In the three months to the end of June exports rose 6 per cent in volume and imports by only 1 per cent.

Page 19

'Botched repair'
ruined a life

Mr Ennals, Secretary of State for Social Services, told MPs that action would be taken to avoid a repetition of the case of Miss Elizabeth Sheehan, who suffered permanent brain damage after an anasthetic accident at Westminster Hospital, London. An inquiry report said a "botched-up repair" played a key part in the accident.

Page 4

Freeze on gas
prices ordered

Gas prices have been frozen by the Price Commission to absorb excess profits that it claims have been made by British Gas. The freeze will be used until next April.

Page 19

Sir John Kerr
steps down

Sir John Kerr, the Governor-General of Australia, has resigned, prompting speculation in Canberra. He will be replaced by Sir Zelman Cowen, Vice-Chancellor of Queensland University. Sir John, aged 62, was said to have resigned on his own initiative.

Page 9

Owen initiative
wrecked

Opposition from Dr Owen's Cabinet colleagues to a British presence during a transfer of power in Rhodesia, and Mr Smith's unyielding stand, have virtually wrecked the Anglo-American initiative for a peaceful settlement.

Page 8

Bread subsidy
to be removed

Ministers have told bakers that they intend to end the subsidy on bread, now worth 1p on a large loaf. Trade union leaders are again protesting on the grounds that subsidies encourage wage restraint.

Page 19

Sexton accepts
United post

Dave Sexton took 30 seconds to accept an invitation to manage Manchester United Football Club. He recently resigned from a similar post with Queen's Park Rangers. He succeeded Tommy Docherty, who was dismissed.

Page 10

Motor racing: James
Hunt achieves good things
at practice for British Grand Prix

James Hunt achieved good things at practice for the British Grand Prix at Silverstone. He was fastest in the first two sessions, but was out of the race in the third session when his car was hit by a stray bolt.

Page 10

Stock markets: Shares lost
earlier gains in defensive marking down

Shares lost earlier gains in defensive marking down. The FT 100 closed unchanged at 449.9.

Page 10

Business Diary: A departure
from the Spar voluntary grocery store group

A departure from the Spar voluntary grocery store group.

Page 10

MPs criticized over
Poulson connexions

By Michael Hordfield

Political Reporter

Mr Maudling, the former Conservative Cabinet minister, was at fault in not disclosing in his statements his relationship with Mr John Poulson, the former architect and the conductor of Mr John Cordle, Conservative MP for Bournemouth, East, amounted to a contempt of the House, an all-party select committee of MPs reported yesterday.

The committee was set up to inquire into the conduct of MPs in connexion with Mr Poulson's affairs and was asked to consider whether their activities amounted to a contempt of the House.

Mr Albert Roberts, Labour MP for Northampton, failed to tell those with whom he was dealing that he was paid by Mr Poulson. Mr Roberts, a former Leader of the House, appeared before the committee, which found that the evidence did not suggest a connection with the affairs of Mr Poulson.

Lord Sainsbury, formerly Mr Edward Short, a former Leader of the House, appeared before the committee, which found that the evidence did not suggest a connection with the affairs of Mr Poulson.

Committee report, page 2

Parliamentary report, page 6

Leading article, page 17

N Koreans
shoot down
American
helicopter

From Patrick Brogan

Washington, July 14

Three Americans were killed in a military helicopter shot down over North Korea yesterday and a fourth was captured. President Carter said in Washington that the helicopter had been shot down across the demilitarized zone in error. It was a regrettable error and that he hoped there would be no unfortunate repercussions.

The helicopter and its crew were unarmed. They were being sent from a base south of Seoul to move some construction material at an observation post being built two kilometres south of the zone along the frontier. The zone is two kilometres wide and thus the helicopter strayed at least two kilometres off course.

As the helicopter passed over the southern edge of the buffer zone, a South Korean observation post fired a warning shot, or shots.

That warning was ignored, or missed. When the helicopter was over North Korean territory, North Korean troops opened fire on it with a heavy machine gun.

The helicopter landed briefly, for one or two minutes, perhaps to check damage, and then took off in an attempt to escape south. It was then shot down.

Apparently two members of the crew were killed in the crash and the third by North Korean gunfire. It is not clear whether he was killed in the air or on the ground.

The Americans have asked for an immediate meeting of the international armistice commission at Panmunjom, at which they will ask that the survivor and the bodies be returned. The North Koreans say they wish to complete their own investigation first, and have suggested a meeting on Saturday morning.

Chancellor to make
statement at 11 am

Wood

The White Paper is to be published by the Chancellor at 11 am, as he has been promised, before the Commons goes into summer recess on July 14.

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Foot to direct election
Bill means that
in may not meet EEC timetable

Correspondent

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naturally

GARPETS

TIME MONEY

NEW PIANO

NEW PIANO

NEW PIANO

NEW PIANO

NEW PIANO

NEW PIANO

NEW PIANO

HOME NEWS

'Mr Maudling was at fault for not declaring Malta interests'

By Our Political Reporter

Mr Maudling, former Conservative Chancellor of the Exchequer, vigorously, but not improperly, worked to promote the interests of Mr John Poulson, the former architect, in Malta and was at fault in not declaring his interests during a speech in Parliament, a select committee of MPs reported yesterday.

The committee, which was set up in October last year to report on the conduct and activities of MPs in connection with the affairs of Mr Poulson, also states that Mr John Cordle, Conservative MP for Bournemouth, East:

"What your committee find objectionable about Mr Cordle's conduct is that his motive in pressing the interests of The Gambia in the House was to further his own unwavering commercial interests, that is to say, that he was raising a matter in Parliament for reward, and they consider that he abused his membership of Parliament thereby. This conduct they consider amounts to contempt of the House."

The committee says that in its opinion the evidence does not suggest a connection with the affairs of Mr Poulson on the part of Lord Glenamara (formerly Mr Edward Short) that would justify its making any further comment. The allegation that in 1971-72 Mr Short, a former leader of the House of Commons, held an account at the Swiss Corporation Bank in Zurich was investigated by Mr John Morrison, Deputy Commissioner at Scotland Yard, and his statement established beyond doubt that the allegation was based on forged documents and was entirely untrue.

Mr Maudling's business association with Mr Poulson began in 1966, the committee states. He became a director of Construction Promotion in September and chairman in November. International Technical and Construction Services (ITCS) replaced Construction Promotion, and Mr Maudling became a director and chairman of it on January 3, 1967.

Mr Maudling also became a director of Ocon-Systems on July 11, 1967. His work involved seeking to obtain business for Mr Poulson, to some extent in the United Kingdom but principally overseas, on behalf of ITCS, in the Middle East, in Mexico and in Malta.

The committee made a full investigation of the remuneration and other benefits received by Mr Maudling and his family from his association with Mr Poulson. The report explains that that was not because there was anything improper about this remuneration, but because it was necessary to understand the extent of Mr Maudling's interest in order to consider any obligation to declare it that he might have owed to the House.

Mr Maudling received £625 from Construction Promotion, £1,500 from Ocon-Systems, and was entitled to £2,500 a year from ITCS. He decided not to draw his money from ITCS until the company became profitable, and he returned a cheque. Had

ments and was entirely untrue. It has not been possible to identify the forger.

Regarding the publication of a newspaper report in June, 1973, that four other MPs, Mr Ernest Armstrong (Durham, North-west), Mr Edward Lead-bitter (Hartlepool), Mr Roy Mason (Barnsley) and Mr Frederick Weller (Sunderland, North) had been interviewed by the police in connection with Mr Poulson's affairs and might be arrested, Scotland Yard inquiries soon established that that report was based on a bogus document. The committee thinks it is right to report that the whole story was false and without any foundation.

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Mr Maudling: Criticism of resignation letter.



Mr Cordle: 'Contempt of the House'.



Mr Roberts: Failed to tell of payments.

the company prospered he would have been entitled to full back payment, so that must be regarded as part of his interest in the Poulson companies, the committee states.

As an inducement to Mr Maudling to join his companies, Mr Poulson agreed to make an annual payment of £5,000 under covenant to a charity of which Mrs Maudling was one of six trustees, the Adelphi Theatre Trust. Other benefits included travel expenses for Mrs Maudling to Mexico and elsewhere, and supervisory services for a swimming pool, for which no bill was submitted by Mr Poulson but for which Mr Maudling has agreed to pay the trustee in bankruptcy on the initiative of the trustee.

On April 6, 1968, Mr Maudling wrote to Mr Poulson: "The account I have set out to you of the Maudling family and their interests is certainly as close as I can get to the truth. I only hope that you will find it is worth while; never hesitate to tell me if you have doubts."

In the opinion of the committee "this description of his relationship with Mr Poulson should be

borne in mind when considering the nature of his involvement with ITCS and the extent of the need to declare his interest."

The committee states that Mr Maudling made full inquiries before becoming associated with Mr Poulson; if he was misled, so were many others. In particular, the committee is satisfied that "there is nothing to suggest that Mr Maudling was aware of a bribe said to have been paid in connection with the Gozo hospital contract."

Mr Maudling took adequate steps to disclose his relationship with Mr Poulson to those with whom he dealt outside Parliament, the committee says, but there are aspects that have given the committee concern.

On Mr Maudling's position as a shadow minister the committee says: "We cannot have been absent from the minds of those Maltese whom Mr Maudling approached on business matters on behalf of Mr Poulson that if they did what was requested they would be gratifying someone who might at the time—indeed even more in the future—be a Minister of the Government."

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This is a situation which caused your committee concern, but one which Mr Maudling was quite entitled to put out of his mind and not apply to himself alone. The fact that he had international business interests was well known and did not attract adverse comment at the time. The House has never given any guidance on this matter: your committee consider that this is a general problem that requires the attention of the parties and of the House."

Referring to the debate on Malta on February 2, 1967, in relation to proposed cuts in defence expenditure, the committee states it was opened by Mrs Hart, Minister of State for Commonwealth Affairs, and Mr Maudling spoke first as opposition spokesman. Mr Maudling's statement to the contrary, that there was a real danger that the Government would cut aid to Malta. The report continues:

"The maintenance of aid to Malta was certainly in Mr Poulson's interests and consequently Mr Maudling's interests, since he was concerned not only with the hospital but with the Mgrat harbour and port facilities developments. The latter were the greater work for companies with

which Mr Poulson and Mr Maudling were concerned.

Mr Maudling did not declare an interest to the House, and he assured your committee that he was genuinely concerned that the Government should not cut aid to Malta. Mr Maudling has subsequently obtained an opinion from Lord May, who was Speaker at the time, that Mr Maudling did in the debate 'was not forward' in making of public policy on which your party took a certain line and for which you acted as spokesman."

Royal Tournament salute tonight to Princess Alice

Continued from page 1

first official engagement in the diamond jubilee celebrations at the age of 14. So far she has been on parade at four coronations.

She married Prince Alexander of Teck, the Earl of Athlone (Queen Mary's brother) in St George's Chapel, Windsor Castle, in 1904. She enjoys her family: Lady May Abel Smith, grandchildren, and great-grandchildren.

However, Princess Alice's rigorous view of her royal duties does not make her formidable. She is a familiar and well loved figure around Clock House, Kensington Palace, where she lives and has her office for her official duties.

She goes shopping, travelling by bus, and goes to St Mary Abbots Church on Sundays when she is in London. She is an incorrigible gardener, a lover of the opera; she used to enjoy the theatre, does not much care for television, but likes football and cricket.

She explained: "I did not want to see the film *Nicholas and Alexandra*. After all, I knew them. I did not like to see people who do not look like them pretending to be them. And do not want to see a travesty of my grandmother on the stage. I feel too tidy, too, seeing young people in those strange clothes and with all that hair."

As a result of the report of the Select Committee on the Civil List in 1971, £50,000 (the sum for the Privy purse under class 1 of the 1952 Civil List and the only class that could be regarded as payment to the Queen, which she had offered to surrender) was made available for the official expenses of members of the Royal Family who received no grant from Parliament: that is, Princess Alice, the Duke of Gloucester, the Duke of Kent, and Princess Alexandra.

Although a traditionalist in royal duties, Princess Alice is no stick-in-the-mud in her private life. She made her first long-distance flight when she was over 90 and went to South Africa in January.



Princess Alice: Last surviving granddaughter of Queen Victoria.

When friends pressed her, in consideration for her age, to use a walking-stick, she agreed reluctantly, but had it thrown away as an umbrella. When anyone asks her how she is, she waves the umbrella jauntily and says: "Very well."

Her great friend recently was Gustav VI Adolf, King of Sweden, the archaeologist and last Swedish monarch to have any political power. Princess Alice used to visit him regularly in the summer until his death in 1973.

So far this year she has made her television debut in the BBC film *Royal Heritage*. She was at the Covent Garden gala, the St Paul's service, the dinner for the Commonwealth Prime Ministers, the Queen's birthday parade, and numerous lesser official engagements this year.

When she wrote her book of memoirs for her grandchildren, she added: "I am 82 and it is time to end this story of my life, of which I wanted to give you a slight picture for remembrance. I cannot look forward to a long road now, but no one who trusts in God need fear any surprise, even death."

US nuclear reactor is favoured

By Pearce Wright

The American type of light water reactor is given a clean bill of health in a technical evaluation made for the Government by the National Nuclear Corporation. Three systems were examined to decide which would form the basis for the third construction programme of nuclear power stations by the electricity generating boards.

The two other designs are the advanced gas-cooled reactor, which is coming into operation upon completion of the second programme, and the steam generating heavy water reactors, now under development by the Atomic Energy Authority.

Although the review should reverse an earlier judgment that ruled out the light water reactor partly on safety grounds, the assessment has not produced a clear-cut economic case for the American type, in preference to its established rival in the advanced gas-cooled model. The final decision concerning the safety of a nuclear power installation rests, however, with the Nuclear Installations Inspectorate, which decides the terms and conditions for an operating licence.

The board of the National Nuclear Corporation met yesterday to complete their report. Lord Aldington, chairman of the corporation, said he expected it to be with the Secretary of State for Energy next week.

One clear consequence of the assessment should be the end of the steam generating heavy water reactor. Ironically, this was the choice made by the Government two years ago, in preference to the American one and imposed on the Central Electricity Generating Board as the next nuclear station to be built at Sizewell, Suffolk.

The new nuclear power station would have marked the beginning of the third nuclear power station programme in Britain.

Leading article, page 17

How inflation undermined the unions' faith Decline and fall of a social contract

By Alan Hamilton

The social contract, by Sir Harold Wilson and Mr Len Murray out of Jean-Jacques Rousseau, died nine days ago at the conference of the Transport and General Workers' Union at Douglas, Isle of Man, and was buried, quietly and without ceremony, at the Treasury earlier this week. Its passing was mourned by the Cabinet, but few rank-and-file trade unionists were at the graveside.

The contract was conceived on February 18, 1973, in a document *Economic Policy and the Cost of Living*, drawn up by the TUC-Labour Party Liaison Committee. It was brought to the world during the election campaign of February, 1974, but it had no birth certificate. As Mr Hugh Scanlon said at the time, there was no piece of paper.

It was the time of the three-day week, industrial stagnation, rising inflation, television ending at 10.30 pm, end of bitter and united opposition by the trade union movement to the Conservative Industrial Relations Act. During the election

campaign Mr Wilson spoke of "the great new social contract" between Government, industry and unions, which would resolve industrial disputes and bear inflation.

Mr Wilson won the election, and immediately kept his part of the bargain, not all connected with the central issue of inflation. The Labour Government set about dismantling the Industrial Relations Act, keeping only its provisions on unfair dismissal, and the new pay policy, the minimum Protection Act, which gave new privileges and safeguards to unions. The standard rate of value-added tax was cut from 10 per cent to 8 per cent, and food subsidies were introduced.

In the autumn of 1974 the last stage of the pay policy expired, and there was a wage freeze for all. By April, 1975, average earnings for all industries had reached an annual rate of increase of 30.8 per cent.

By the summer of 1975 it was clear that a voluntary wage restraint policy was not having the desired effect on inflation, and on August 1 the first stage of a new income policy came into effect. On the day of its introduction the rate of inflation stood at 26.5 per cent, and the rate of increase in average earnings at 25.8 per cent.

The new pay controls set a limit of £5 a week on wage increases, with people already earning over £3,500 getting nothing at all. It was to last for a year.

By July, 1976, the annual rate of inflation had been reduced to 12.9 per cent, and the annual rate of increase in average earnings to 13.9 per cent. Then came phase two, which provided for average increases of 4.5 per cent, with upper and lower limits of £2.50 and £4; it, too, was to last for one year, and runs out at the end of this month.

Phase two has certainly brought down the rate of increase in earnings. By April this had gone up to 12.1 per cent, and the Treasury predicts that when the period of phase two is over it will show a figure for the year of about 9 per cent.

But it has not brought down the rate of inflation. By May that had gone up to 12.1 per cent, and the Treasury calculated that 4 per cent could be attributed to the sinking pound and 1 per cent to last year's drought, which pushed up food prices.

The resolution remains true to earlier declarations of a "new philosophy of taxation" involving the introduction of a tax-credit system and the shift of the tax burden from income tax to other forms of taxation. That would aim at eliminating the poverty trap, improving the incentive to work, encouraging personal investment, spreading more widely the private ownership of wealth and encouraging the efficient use of resources.

In the public sector, it stated that efficiency audits, "participative management styles," coupled with performance incentives, should be used to eliminate waste, extraneous and unnecessary work.

Another resolution dealt with the introduction of a new move towards smaller schools based on local communities. It says all schools should be responsible for achieving basic standards of literacy and numeracy. The standard should be monitored by local education authorities.

Other important resolutions refer to the European Community and direct elections to the European Parliament, devolution, southern Africa, human rights, energy resources, rural communities and transport.

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Court attempt to obtain mail at Cricklewood fails

By Michael Horsnell

An attempt by the managing director of three London companies to secure the release of mail held up because of the Grunwick dispute failed in the High Court yesterday.

At a private hearing Mr Justice MacKenna refused to allow Mr Harold Shaw, aged 56, to obtain mail addressed to him which was being held at the Cricklewood sorting office in north-west London, which was closed when postal workers refused to handle Grunwick mail.

Mr Anthony Lincoln, QC, who opposed the application on behalf of the Post Office, said he expected the judge would be satisfied there was no evidence to show any breach of duty by the Post Office.

Mr Shaw said later: "I intend to appeal. I am optimistic that the ruling will be made in our favour on appeal."

The High Court proceedings led to the postponement of a meeting between Sir William Ryland, chairman of the Post Office, and five men representing other London businesses that have been disrupted.

Sir William called off the meeting on legal advice. The Post Office said later that it hoped another one would be arranged.

The Police Federation said yesterday that it would consult the Association of Chief Police Officers and the Police Superintendents' Association on issues raised by the proposed review of the law on picketing.

Mr James Jardine, chairman of the Federation, said: "Our members are strongly opposed to any changes that would appear to place pickets in a position where they could give instructions to police officers on duty at industrial disputes."

In the Commons, Mr Rees, Home Secretary, said that 243 police officers had been injured between June 13 and July 13 at Grunwick, in which some 377 people had been arrested.

Two groups of engineers joined the hundred pickets outside the plant yesterday morning, but the bus carrying workers drove through the gates without incident.

Weather forecast and recordings

An official of the Association of Professional Executive Clerical and Computer Staff (Apex), which seeks recognition at the factory, said the bus would not be followed again after a police warning of possible violence. Two senior officials were seen following it in order to discover its pick-up points.

Scrum inquiry: Lord Justice Scarman, heading the inquiry into the Grunwick dispute, told Mr Roy Grantham, general secretary of Apex, yesterday that the company could not be compelled by law to reinstate the workers who have been dismissed (Robert Parker writes).

Both Mr Grantham, and Mr Leonard Cristie, Apex's London organizer, said they were aware of the ruling.

Light or moderate, becoming variable, max temp 18°C (64°F), 15°C (59°F) on 2 coast.

Isle of Man, Edinburgh, Dundee, Aberdeen, Glasgow, central Highlands, Moray Firth, SW Scotland: Dry, sunny periods; wind light; max temp 18°C (64°F), 15°C (59°F) on 2 coast.

NE Scotland, Orkney: Dry, sunny periods, wind light; max temp 16°C (61°F), 13°C (55°F) on 2 coast.

Shetland: Sunny intervals, perhaps a shower; wind variable of N, light; max temp 14°C (57°F), 11°C (52°F) on 2 coast.

Outlook for tomorrow and Sunday: Occasional rain and sunny intervals; N. breeze; dry in S. with sunny periods but some rain in places on Sunday; temp normal in NW, warm in SE.

Sea, waves in S. North Sea: Wind N, moderate, or fresh; locally strong at first; sea slight or moderate.

Strait of Dover, English Channel (E): Wind N to NE, moderate or fresh; sea slight or moderate.

Wind N to NE, gentle or moderate; sea smooth or slight.

Yesterday

London: Temp: max 7 am to 7 pm, 17°C (63°F); min, 7 pm to 7 am, 12°C (54°F). Humidity, 7 pm, 70%.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun.

Abertillery: c, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Abertillery: c, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

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Abertillery: c, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91,

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HOME NEWS

Manufacturers of anaesthetic machine were 'largely to blame' for accident at hospital, abridged report says

By John Roper

Health Services Correspondent

The manufacturers of an anaesthetic machine, who did not carry out their obligation to service it, must take a large part of the blame for the accident at Westminster Hospital, London, which resulted in permanent brain damage to Miss Elizabeth Sheehan, aged 28, a teacher, an independent inquiry has found.

An abridged report of the private inquiry, in which no one is named, published yesterday decided that the anaesthetists and the surgeons were not to blame for the accident. The machine was transferred so that nitrous oxide (laughing gas) was administered instead of oxygen.

Considerable blame must lie with two unknown people, one of whom did a "hatched-up repair" with a piece of tape, and the other who applied blue packing, which signified nitrous oxide, on an oxygen hose, the report says.

Nursing staff, including a theatre sister and an engineer, are criticized, as are the hospital, the Kensington, Chelsea and Westminster Area Health Authority and the Department of Health for lack of communication and of clear policies on repairs.

Most of the inquiry's 22 recommendations have already been put into effect. Miss Sheehan's father, Mr John Sheehan, of Bearsted, Kent, and his solicitor have been refused a full copy of the report of the 19-day inquiry unless they give an undertaking, which they refuse to do, not to disclose its contents.

"I want the secrecy ended," Mr Sheehan said yesterday. "It is my daughter who paid the cost. She will never take her place in society and is going to be in hospital for the next four years."

Miss Sheehan, a graduate of London University, had a gall bladder operation at the hospital. As a result of the mix-up with the hoses she is almost totally blind by and is going to be in hospital for the next four years.

The authorities have admitted liability for the accident and a court hearing to settle damages is expected next year.

A director of Blaise Anaesthetic Equipment Ltd, of Chesham, Buckinghamshire, said yesterday that litigation was possible and the company was therefore not in a position to comment on anything which related directly to the incident.

Charges of secrecy and "whitewash" were immediately made against the shortened report, which was condensed to 30 from 80 pages. Dr Gerard Vaughan, MP, spokesman on the social services, said it was wrong that the names of doctors should be suppressed. Names should be known, not as

part of a witch-hunt against individuals but because doctors must accept responsibility, and be seen to accept it, for tragic accidents or mistakes that occur in the course of their work.

Mr James Morris, a branch secretary of the National Union of Public Employees, said the abridged report was a whitewash and his members would ask Mr Ennals, Secretary of State for Social Services, to publish the full report. All engineers and fitters had already been instructed not to touch anaesthetic machines or piping. The technician and the cleaner mentioned in the report were both members of the union.

Miss Christine Bicknell, chairman of the area health authority, said it accepted without question the findings of the inquiry and the recommendations. They confirmed that the accident resulted from a tragic combination of circumstances, responsibility for which was shared among several people.

In a preamble to its recommendations, the inquiry report says that accidents in hospitals are rare, but unfortunately it is not widely appreciated by the public that safety can never be absolute. The level will always be relative to resources of staff and money.

The inquiry, when it first opened, had to adjourn sine die because none of the doctors declined on legal advice to give oral evidence; later the nursing, administrative and ancillary staff made a similar decision. It was reopened after agreement that all sessions should be in private.

On the day before the operation on Miss Sheehan, the report says, a machine being used to polish the theatre floor caught the hoses and pulled them both off the Schrader valves on the anaesthetic machine. The cleaner may have been careless but could not be blamed for what happened subsequently.

The nurse to whom he reported the matter had only limited experience in theatre work. She succeeded in connecting the oxygen supply to the nitrous oxide flowmeter. The nurse, the inquiry found, could not be blamed for trying to reconnect the hoses and, in fact, reconnecting one wrongly. She was trying to do her best and was positively misled by wrongly coloured packing material on the hose. Later the nurse told a technician who failed to reconnect the hoses and informed an anaesthetist sister. The technician could not be blamed for trying to reconnect the hoses.

Having been told something about the hoses and having visited the theatre, it was surprising that the sister did not make further inquiries before removing the hoses and fitting a spare set.

She asked an engineer who normally carried out repairs to see if he could repair a



Miss Elizabeth Sheehan: Irreparable brain damage.

damaged hose, but failed to inform him fully. Particularly that spare hose had been fitted so there was no real emergency. He secured a reasonable fit but the nitrous oxide was connected to the oxygen valve. The sister could be criticized for not telling the engineer what had happened to the hoses and he could be criticized for the standard of the repair and for failing to make crystal clear to the sister that the hoses should be used for a minimum period.

The sister, having been given the hoses, asked a technician to refit them. Neither he nor the anaesthetist carried out a test after the hoses had been replaced. A later check by the sister would not have enabled

her to discover that the hoses had been wrongly connected. She could be excused for failing to tell the anaesthetist that the hoses had been replaced twice but, although she was busy, she could not be excused for taking no steps to have the repair checked by the manufacturers.

Seven operations were performed after the hoses had been replaced and wrongly connected, so that the proportion of nitrous oxide and oxygen were reversed. Four anaesthetists took part, and the question was: should any or all have been put on their guard by anything during the operations? Nothing unusual occurred during the first three. The patients for the remaining four showed varying degrees of lightness. The anaesthetists all undertook their usual check, but that was a quantitative test, which would not show up crossed hoses.

The inquiry conclusion was that the indications were insufficient to have alerted the doctors and the four anaesthetists were not to blame for what happened to Miss Sheehan. Hers was the first operation on the next day, and a surgeon, an assistant and two anaesthetists took part. It was a major operation, which began at 8.30 am and ended at 9.35 am, and what was thought was 100 per cent oxygen was administered. Miss Sheehan was having difficulty in breathing and again "100 per cent oxygen" was administered. At some time the source was changed from the anaesthetic machine to a cylinder.

Miss Sheehan suffered a cardiac arrest but her condition improved later and she was transferred to intensive care. No criticism could be levelled at the anaesthetists for the induction and anaesthesia, which were uneventful, nor could blame be attached to the surgeon. The inquiry had not found it easy to say whether the anaesthetists should have been put on inquiry about the gases, particularly as it was easy to be wise in hindsight.

"In the end, and in the light of the then knowledge of the anaesthetic machines and the tests the anaesthetists carry out, we find neither can be criticized or blamed for not making inquiries as to gases", the report says.

Another patient who followed Miss Sheehan on the operating table, underwent surgery with no trouble, but difficulties were experienced when "100 per cent oxygen" was administered. The patient, after treatment in intensive care, made a complete recovery.

The inquiry concluded that overall there was a serious lack of communication between all concerned about events between December, 1974, when the hospital did not query what there

had been no service from the manufacturers, until the operations in February, 1975.

After the collapse of the second patient everyone acted promptly and correctly and the theatre was closed. An internal inquiry was on February 23, 1975, and the hospital was not to blame for not inquiring more deeply into the incident, particularly in view of the sensible and speedy steps taken against any repetition of it.

The area health authority should, however, have told the Department of Health as soon as the incident occurred, instead of waiting until March 11, 1975.

The report criticizes the hospital and the manufacturer for slowness over the servicing of the machine. The hospital did not question why no service visit was made in December, 1974, or January, 1975, although the company was under contract to make four visits a year and had a legal duty to do so. If the service engineer had made a visit the fractured hose would probably have been replaced.

"We find that the manufacturer and the service engineer must share a large proportion of the blame for the incident", the report says.

On emergency repairs, the inquiry says a definite policy should have been laid down, and that had now been done. It was plain from the evidence that there was more than a little slackness about the coding of hoses before February, 1975. If it was to be used it must be used properly and be complete.

Referring to two deaths because hoses were transferred at Kent and Canterbury Hospitals in March, 1973, and a "hazard warning" sent out by the Department of Health, the report says that no one at Westminster Hospital really knew anything about the Kent incident. But in view of the possible ambiguity of the letter, blame could not be attached to the anaesthetist, although it was suggested how few of the anaesthetists seemed to know anything about the warning at all. More about the Kent incident, which was the first of the kind, should have been made known to people concerned in other hospitals.

The three manufacturers who took part in the inquiry knew about the recommendations in the Kent report, and the conclusion was that they had a duty at least to warn hospitals in writing about such matters. Had the manufacturer of the anaesthetic machine written to Westminster Hospital, the hazard warning letter might have been fully implemented and the cause of the incident affecting Miss Sheehan would have been avoided. It was plain that many people who should have seen the hazard letter of June 20, 1973, and other documents never saw them.

Inquiry call after advice by telephone on sick boy

Dr Richard Whittington, the Birmingham Coroner, called yesterday for a public inquiry after the death of a boy aged eight whose parents were said to have been refused a visit from a locum doctor.

He was told that the parents of Jason Bryant had made requests for a doctor to attend their home in Tibbatts Road, Woodgate Valley, Birmingham. Four telephone calls had been made to the South Birmingham deputising service, a commercial concern which stands in for general practitioners at weekends and during the night, but each time they were merely given advice by unqualified persons.

The calls were made over a weekend in May, and on three occasions the parents were instructed to keep the boy cool and to give him an aspirin. The final call brought an instruction to get in touch with their own doctor the next morning.

Jason was taken to Birmingham Children's Hospital with meningitis. By that evening he was in the intensive care unit and died on the Thursday.

Dr Whittington said: "Four calls were made during the course of virtually 24 hours and each time it would appear that advice was given and doctors who have subsequently given evidence have agreed that this was inappropriate advice."

"It has taken a child to die before an inquiry is made. It seems from the medical evidence that earlier he might well have survived."

Mr John Mainland, director of the locum service, said the organization operated from his own home in Park Road, Moseley. He had no medical qualifications but he employed qualified doctors whose appointment to the service had to be approved by the committee governing general practitioners in the area. Those doctors were the only people who would attend patients. He denied that the people answering the telephones would give advice.

Mr Mainland and four other people, who consecutively manned the service's telephones over the weekend of the Bryant's calls all said they had received requests from the family for a doctor, and could not remember the Bryant's getting in touch with them. Three of them were medical students, and one was a registered medical practitioner.

The coroner said he was sure the calls had been made, and added that locum services should be organized to ensure that they are run by qualified people. He returned a verdict of death from natural causes.

Educationists attack core-curriculum plan

From Diana Geddes
Education Correspondent
Brighton

Two leading educationists yesterday attacked a narrow concept of a subject-based core curriculum, common to all schools to be proposed in the Government's Green Paper, which will be published next week.

Miss Sheila Browne, senior chief-inspector at the Department of Education and Science, and Dr Harry Judge, director of the Department of Educational Studies, Oxford University, argued against the imposition of a core of common subjects. They favoured the development of a much wider common framework of objectives for schools which could be met by diverse curricula rather than a curriculum.

Miss Browne told the annual conference of the Council of Local Education Authorities at Brighton, that group of 150 local education authorities, led by a staff inspector, had written a series of papers attempting to outline the elements and criteria that together might lead to a satisfactory and coherent secondary curriculum for all pupils.

Those papers, which would be published shortly, were being tested by five local authorities.

Mr John Tomlinson, Chief Education Officer of Cheshire, one of the authorities involved, said later that the scheme had been started last September in six widely differing types of secondary school and his authority expected that it would continue for at least three to five years. It was not a new curriculum, but rather a set of very probing questions which would clarify objectives and provide new techniques for evaluating what the schools were doing, he said.

In an apparent reference to the core curriculum as expressed in the coming Green Paper, Miss Browne had told the conference that one of the difficulties in the inspectorate's general requests from schools for independence of the inspectors. "We have to some extent jumped the gun and perhaps started running the wrong race", she said. "Ours

is perhaps a longer race. We have been thinking about a very broad common core, almost but not quite a curriculum, which would be capable of many translations to meet the children's different abilities and needs."

"For us this links with the maintenance of opportunity, the provision of a broad and liberating education, and the contribution education can make to the minds, senses and values of those who will run the country tomorrow."

That was not incompatible with "common core" as the term was being used, she suggested. Some schools would certainly be common to both approaches.

But the group of inspectors who had produced the new papers on the 11-16 curriculum had shunned a subject-based analysis in favour of a framework of broad capabilities of types of study such as "ethical, linguistic, scientific, aesthetic", to which more than one subject would contribute and which was capable of being interpreted in various ways.

Dr Judge argued that what was needed was not a new curriculum but better curricula. One of the key arguments in favour of the establishment of comprehensive schools would bring, he said, diversity, not conformity. That, indeed, free-wheeling views was being challenged by a new consensus which demanded a single homogeneous curriculum in the belief that that would achieve higher standards and greater equality.

The common core would either be so small as to be meaningless or so wide as to be so precise as to be prescriptive and threatening. Although a former comprehensive school head, he was deeply disturbed to find that in many comprehensive schools the interests of able children were being neglected, and the cost of producing the curriculum was much too high, he suggested. The common-core mixed ability argument was working against the able child.

Hangars converted to take grain 'mountain'

By Hugh Clayton
Agricultural Correspondent

Disused hangars are being converted to accommodate a possible British grain "mountain" while producers of grain face an annual bill of £2m in helping to reduce the EEC wine "lake". Those effects of EEC farm policy were disclosed in London yesterday.

The Intervention Board for Agricultural Policy, the arm of the Civil Service that administers the common agricultural policy in Britain, is installing drying and ventilating equipment in hangars and other large buildings, mostly in the east of England.

Mr Anthony Savage, the board's chief executive, said: "We are ready to take in substantial quantities from harvest time onwards."

There is no EEC link to the amount of certain foods farmers can offer for purchase into intervention stores financed by the EEC. Prices are fixed centrally and certain conditions of quality and storage must be met.

At the end of last month the board held 5,917 tonnes of beef, 6,262 tonnes of butter and 21,232 tonnes of skim milk powder. Almost 28,000 tonnes of butter were sold in another scheme in which stocks

are returned to their original owners after several months. Last year the board paid more than £500,000 to producers' organizations for more than 20,000 tonnes of fish mostly mackerel, that failed to meet EEC support prices in British markets. The fish, sold for industrial uses, as manufacture of animal feed, fish that qualifies for payments must have been offered for sale for human consumption.

The House of Lords Select Committee on the European Communities has also demanded a proposed EEC rule requiring the use of alcohol made from surplus farm produce like wine in some spirits and cosmetics.

The select committee said after hearing evidence from trade leaders that the rule would add £2m a year to the cost of producing goods, and to the price of a bottle of whisky.

"This proposal is another example of dealing with common agricultural policy subsidies through a policy of taxing the consumer," it said. "The proposal represents a substantial infringement of manufacturers' freedom."

Intervention Board Report 1968/69 (Stationery Office), Agricultural Surpluses and Alcohol (Stationery Office), 85p.

Ex-soldier jailed for 10 years

Ciaran McMorrough, a former soldier in both the British and Irish armies and a suspect for scores of bombings in Britain, was jailed at the Special Criminal Court in Dublin yesterday for 10 years.

He was convicted by the no-jury court on five counts of possessing arms, ammunition and explosives and of preventing his arrest. He was given a further concurrent sentence of two years for being a member of the Provisional IRA. He was acquitted on a more serious charge of shooting at an Irish soldier with intent to kill because of lack of evidence.

Mr McMorrough, aged 25, who was said by a senior police officer to come from a very respectable and law-abiding family in Co Sligo, spoke almost exclusively in Irish throughout the trial.

Mr McMorrough's court appearance followed a gun battle that led to his capture at a remote farmhouse near the Irish border in Co Cavan on the eve of St Patrick's Day this year. His main notoriety, however, lay in his alleged British terrorist activities. They were not mentioned in the Dublin court but Scotland Yard, which once played Mr McMorrough at the top of its wanted list, is anxious to interview him about up to 60 bombings, including the M62 coach outrage. There has been no report of any attempt to extradite him.

Claim and counter-claim as another Ulster bus burns

From Stewart Tondell
Belfast

It was 4.30 in the afternoon yesterday and the single-deck bus blocked the road outside Norglen Parade, in the Turf Lodge area of west Belfast.

A group of children were noisily dissecting the smouldering ruin as an army helicopter hovered overhead. Drivers mounted the pavement and checked their cars past.

The bus was the fourth vehicle burnt in the area within 24 hours. Farther down the road an arm ypprotol sprinted across an intersection.

Two buses and a car were burnt on Wednesday night and, together with yesterday's buses, will go down as small, insignificant incidents in the global story of violence in Northern Ireland.

However, the tale surrounding them is one of those classic counter-claims of claim and counter-claim between the Army and the Roman Catholic areas it patrols that confront journalists working in the province.

As far as the army record is concerned, the matter is quite simple and routine. Early on Wednesday evening a foot patrol was fired at in Glenalina Road in the Whitewater Road area. No one was hit and fire was not returned. A search of the area began. Crowds gathered.

Stones were thrown and buses set alight. Troops fired a round of plastic bullets and the area became quiet. But yesterday another bus was burnt.

The residents of Turf Lodge paint a different picture. They say that for some time the area has been subject to severe

methods of patrolling and that on a number of occasions children have been injured with rubber bullets.

Mothers keep a weather eye open for the approach of patrols and the danger that stonings may start, to which soldiers will retaliate.

On Wednesday evening, they say, no shots were heard but soldiers were in the area and soldiers climbed to the top of a block of flats known as "T block" locally. The roof of the paint-and-bullet-splattered building gives a fine view of the area, although it is not a regular observation post.

It is alleged that soldiers were "full drunk", heaping abuse, bottles and cans, on passers-by. Women in the block became scared as patrols began searching the flats, and say that a number of doors of the flats were kicked in where families were away on holiday.

The womenfolk, finally decided to protest at what was going on, but as they did so youths and children took the initiative from them, throwing stones and hijacking buses.

Yesterday morning after two teenagers had been taken away for questioning, more homes were searched and another bus went up in flames.

Two complaints have now been made to the police about a broken window and the use of plastic bullets. The residents say they fear there will be further trouble with patrols, and detectives in Andersonstown police station will now try to unravel the situation.

Other residents in the area say uneasiness has been working hard to build up community relations.

50 children affected by crop spray

More than 50 children aged between eight and 11 were taken to hospital after insecticide from a crop-spraying aircraft drifted over their playground yesterday. Two of the children, from Branton County Junior School, Lincolnshire, were detained overnight with nausea, sore throats and sore eyes.

Parents were setting up an action committee yesterday to investigate the incident.

Mrs Isabel Forsyth, whose son was one of those most seriously affected, said: "I was told by a consultant that a slightly more concentrated dose of the spray could cause paralysis."

Lincoln County Hospital, where the children were taken, said the insecticide could be very dangerous if absorbed through the skin. "But they all seemed to be completely well when they left the hospital", an official added.

Mrs Forsyth, of Silver Street, Branton, said her son still seemed ill. "He came home after lunch today with tummy-ache and a sore throat", she said.

The insecticide, a mixture of meta-sprax and aphox, is used to get rid of aphids on wheat.

Mr Colin Newman, the headmaster, said the aircraft was turning low over the playground when the incident happened. "Quite apart from the insecticide spray, I thought it rather dangerous to perform these complicated acrobatics right above a crowd of children", he said.

Miners reject national pact on free coal concessions

Miners rejected the National Coal Board's free-coal deal, recommended by its executive, by 104,674 votes to 85,567 yesterday.

Areas voting against the proposal, to allow all working miners eight tons a year and widows and widows five tons, included Yorkshire, Nottinghamshire, South Derbyshire and Leicestershire.

Those miners complain that they will lose up to two tons a year because the national plan will be opposed to the area agreements, and say any new scheme should be as good as the present best.

Miners in Scotland and Wales, who stood to benefit under the proposed national scheme, voted for it.

Mr Arthur Scargill, York-

Union will fight government transport policy

Leaders of the National Union of Railwaymen told the Government yesterday that it was heading for a clash over its transport policy.

Delegates at the NUR's annual conference at Brighton agreed to resist the implementation of the transport White Paper "by all means at our disposal". They called for more investment in rail, a national transport planning authority, transfer of freight to moved to rail, opposition to the privatisation of county councils should run local railway services.

Mr Russell Tuck, the union's acting general secretary, said British Rail was "the vital part of this country's social, economic and industrial structure and its future depends on sensible public policy."

If the NUR failed to win the argument on investment and local services, a contraction in the industry was likely. "When that starts, who knows where it will stop?"

The union would use every constitutional and democratic method of persuasion available to it, but if argument with the Government failed, it would be considered.

Mr Tuck accused Mr Rodgers, Secretary of State for Transport, of "passing the buck to British Rail. He would talk to MPs sponsored by the NUR, to the British Railways Board and the other bodies, but he will help us to twist or break the minister's arm."

Seamen's strike ends

British Rail seamen on unofficial strike over an overtime claim at Harwich and Felixstowe Quay agreed yesterday to resume work on passenger and cargo ships.

GLC transport plan aims at revitalizing dockland area

By John Young
Planning Reporter

A four-year plan for essential road and rail improvements in East London was outlined yesterday by Greater London Council (GLC) part of its policy for revitalizing the docklands.

Councillors and officials made clear that the plan is not just another scheme floated for debate and consultation but a definite statement of intention. It will go before the council's planning and communications policy committee next week and is virtually certain to be endorsed.

The plan, which includes a new Underground crossing of the Thames between Woolwich and Silvertown, will cost an estimated £55m. Assuming government approval, part of the cost may be met by a transport supplementary grant from the Exchequer.

However, both Mr Horace Cutler, the GLC leader, and Miss Shelia Roberts, the committee chairman, indicated that they were not prepared to dance attendance upon either the Government or the docklands joint committee, which represents the GLC and the five dockland boroughs. If necessary, it was suggested, the council would go it alone.

Mr Cutler said it was time for Mr Shore, Secretary of State for the Environment, to "stop dithering" on the issue. The Government should make up its mind about how much financial backing it was prepared to give, and when.

Mr Cutler said the extra £17m allocated to London for inner-city renewals could not be spent on extending the new Underground line eastwards from Charing Cross.

Miss Roberts admitted disappointment but emphasized yesterday that the present plan

Businessman sentenced for corruption

Ivor Leslie Cook, aged 43, businessman with interests in investment, a garage, motor store and restaurant, was sentenced to three years' imprisonment for corruption.

He was sentenced to 12 months' imprisonment suspended for two years, fined £6,000. He was ordered to pay up to £10 towards the prosecution costs.

Mr Cook, of Parc Wepg N Swanses, admitted giving gifts and carpets to Ge Murphy, a former leader of Swanses City Council, and ing for accommodation in London hotel as an inducement or reward for Mr Murphy's connection with Swanses position business.

Mr Aubrey Myerson, QC, the prosecution, said Mr Cook had acted as a land cost-development company £477,400 housing deal Swanses Corporation.

Judge Pritchard said Murphy had become a byword for corruption in west Wales.

Ban on cover of 9

Alfred Barwell, aged 51, Upper Wear, near Aylesbury, was disqualified driving by Wells magistrates yesterday until he takes a He was fined £5 for driving.

Gad murder charge

Peter Colin Hunter, age 44, a labourer of Parole, Dorchester, was committed to custody for at Norwich Crown Court magistrates at Dorchester yesterday, charged with murder of Heidi Elton, age 14, on 9 December 1976.

Thousands of rail commuters were delayed yesterday when eight wagons loaded with granite chippings toppled on to a track at Harlow Road, near Harlow, Essex, after a derailment in Hertfordshire. No one was hurt.

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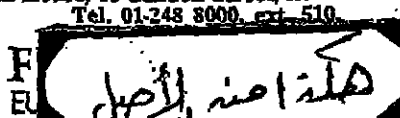
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igilance could have averted riot'

is perhaps a longer term solution. "We have a long way to go before we can have a curriculum that is common to all schools, and that is capable of being translated into different languages and needs."

"For us this is the maintenance of the liberal provision of a contribution education make to the mind values of these the country's memory."

That was not in term with "common term was being suggested. Some certainly be common approaches."

But the group of papers on the 19th had shunned a analysis in favor of work of two of the types of study and of linguistic and "the" to which was one subject would and which were interpret in ways.

Dr. Judge was needed in the curriculum was a cula. One of the in favour of the of comprehension the increase of risk of riot at a major not bring him prison, the report not conformity, a great victory at Hull seemed to be unprecedented but being challenged by a common sense which might be homogeneous the belief in achieve higher grade equal."

The common either be so a records of violence. The common taken part in pre-prescriptive of disturbances or in acts of dispersion.

Although a tive school prisoners' daily regime is disturbed in curtailed for various many cannot, not least availability of the interests of restrictions on prison were being an overtime.

emergence of violence available to staff gested much of the course of the day. It is to be management the mixed and the work of the

Vigilance could have averted riot'



Damage at Hull prison after the riot.

need for increased vigilance and additional precautions. Even at Hull, where the abnormal was daily regarded as normal, the report says.

Extra care in the control of prisoners in the central area of the prison backed by additional staff might well have extinguished the trouble in its early stages or at least reduced it to a manageable size. It is likely that the decisions been right, there would have been less loss of control and, on the balance of probabilities, the incident would not have occurred.

The staff had shown considerable tolerance in the past towards demonstrations and acts of concerted indiscipline and it is perhaps not surprising to believe that this was in accordance with present policy. Staff perception of what was happening tended to be obscured by apparently free and easy relationships with prisoners.

There was one instance where a certain number of staff may have fallen below the high standards required of members of the Prison Service," Mr Fowler adds. "When an instruction was given to strip the cells in B wing to make room for surrendering prisoners, this task was carried out with undecorousy and with damage in and disappearance of prisoners' property."

In suggesting a review of the administration of dispersing dangerous men to selected secure prisons, Mr Fowler says that paternalistic authority has come under challenge. The boundaries of tolerance between prisoners and authority have been a pressed farther and farther.

The bigged and politically motivated prisoner is more frequently encountered than previously.

At the same time prison officers have, over the past five years, withdrawn to a peripheral, observer role from one in which they are primarily custodians helping to treat prisoners.

The report says: "Uncertainty and confusions now exist in the minds of staff at all levels. They see the penalties of involvement with prisoners, the danger of being taken hostage by men who have nothing to lose. They are uncertain about even the use of minimum force. In control of the situation, the extent of their support by higher management."

Mr Fowler does not suggest that the concept of dispersing dangerous prisoners as opposed to concentrating them together in a "Prison prison," should be reviewed.

An unofficial inquiry on behalf of "Preservation of Rights of Prisoners (Prnp)" found that the regime and the outcome was brutality by staff.

The inquiry's chairman, Mr John M. M. O.C. yesterday described the Fowler report as a "whitewash" and said it intensified the demand for a full public inquiry.

Report of an Inquiry by the Chief Inspector of the Prison Service into the Alleged Brutality of the Events at HM Prison, Hull, during the period August 31 to September 3, 1976. House of Commons, 453. (Stationery Office, £2.00).

Dry 1976 is worst year for fires on record

By Clive Borrell

Last year's long, hot summer was responsible for more fires in England and Wales than during any year since 1942, when national statistics began to be kept.

That is disclosed in the report of Mr Kenneth Holland, Chief Inspector of Fire Services, in his annual report, published yesterday.

"The dry state of the countryside, the exceptional weather and in many areas a shortage of water, combined to provide conditions where fires were all too common and were often very difficult to control. The brigade resources were stretched to the full in dealing with an unprecedented number of calls", the report says.

During the year there were an estimated 27,500 small fires, including garden and beach fires, compared with 168,100 in 1975. In the same period there were 120,700 fires involving property and 39,400 chimney fires.

The number of false alarm calls, which cost the service £1.5 million, totalled 132,300, compared with 128,000 in 1975. Malignant false alarms accounted for 66.20 of these.

A further 63,600 false calls were answered but were made "with good intent." More than 12,000 calls resulted from faulty apparatus.

Vandalism, children playing with fire and fires caused by carelessness, rose by 230 per cent in the year "greatly increasing the burden of work of the fire brigades to a dangerous level".

Property lost through fire totalled £31m, an increase in value of £13m on the previous year.

A total of 880 members of the public lost their lives in fires. Five firemen were more than three hundred other officers were seriously injured.

Raiders grab £4,000

Four raiders armed with shotgun and snatches of £4,000 paraffin from a security van in Elder Street, Stepney, east London, yesterday.

Soviet power warning by defence chief

By John Graser

The outlook for national security is far from comforting, according to Admiral of the Fleet Sir Edward Ashmore, who is to retire at the end of next month as Chief of the Admiralty Staff. In his closing presentation of the Wilkinson Sword of Peace Awards in London to remind his audience of the development of Soviet military capability.

In less than two decades, Sir Edward said, the Soviet Union had developed a capability "far in excess of what it needs for defensive purposes". Each year Russia built as many nuclear submarines as the total number in the Royal Navy.

Every six months, Sir Edward added, "combat aircraft equivalent in numbers and comparable in quality to the

Air traffic expected to grow by 7 pc a year

By Arthur Reed
Air Correspondent

The number of passengers using airports in south-east England will increase from 31 million last year to 85 million by 1991, the British Airports Authority forecast yesterday.

At the seven airports operated by the authority, Heathrow, Gatwick and Stansted, and four in Scotland, plus Luton, which is owned by a local authority, passenger traffic is expected to rise by 7 per cent a year from 36 million last year to 94 million in 1991.

The growth in air transport movements over the next 15 years is expected to be only 2 to 3 per cent. That is explained by the increasing use of wide-body airliners and improvements in load factors (the number of seats on offer that are actually filled).

Mr Donald Turner, the airports authority's planning director, said: "These figures reinforce the optimistic trends that were apparent last year."

Passenger traffic through the airports' Scottish airports, Prestwick, Glasgow, Edinburgh and Aberdeen, was expected to double from 4,200,000 last year to 8,500,000 in 1991. Mr Turner said slower growth was expected in Scotland because the heavy proportion of domestic traffic through these airports would face increased competition from faster rail services.

Over the eight airports, leisure traffic would continue to grow faster than business traffic. As a result, increases were foreseen in the number of charter flights. The division between leisure and business traffic was 70 to 30 in the South-east and equal in Scotland.

Cargo traffic was expected to grow slightly faster than passenger traffic, at a rate of 8.5 per cent a year, with the emphasis on long-distance international cargo. Cargo through the south-eastern airports might reach 1,750,000 tonnes by 1991, compared with 500,000 tonnes last year.

Rhine Army to get computer

**From Henry Stonhope
Defence Correspondent
Stoke Poles**

Commanders in the British Army of the Rhine should soon receive their operational briefings by computer, thanks to an automatic brain called Wavell. It is expected to be the most advanced battlefield control system in the world when it comes into operation in the early 1980s.

Plessey Radar, which has been developing the system for the Ministry of Defence, unwrapped the evocatively named Wavell for the first time at Stoke Poles, Buckinghamshire, before tests. It will begin trials with a BAOR division next spring at one of its five development sites.

Wavell is basically an automatic data-processing system which will store information on the changing battle and play it back to commanders.

For the future, Wavell will be used to store information on deployments of battle units and other operational material.

Chest illness linked with gas cookers

By Our Medical Correspondent

Children in homes where cooking is done by gas have more chest illnesses than those where the kitchen is electric, a report in the British Medical Journal says today.

A national survey of more than 5,000 children by doctors in the department of community medicine at St Thomas's Hospital, London, has shown that children aged six to 11 are twice as likely to have bronchitis, a cough or "colds going to the chest" if their homes have a gas cooker than if they have an electric one. The difference is more marked in girls than boys, probably because girls spend more time in the kitchen.

The most likely explanation, the report says, is that gas fumes contain irritant oxides of nitrogen, and better ventilation of kitchens might be sufficient to dispel any risk.

British Medical Journal (July 16, page 143).

's convert meless helped less by
incils outside London

Homeless
Heavily
Services Correspondent

are homelessness outside London corners as is growing, but local

Last week, are refusing a more than proportion of families emergency help to them for help. By that 2000 is homelessness in London, not all, but more families reach EEC-48 helped there.

But not trends, disclosed in the aid for academics published by the as management of the environment. For that there is different views and payments.

in the London authorities and the is the rest of England to homelessness Housing (Homeless The Best) Bill, which reaches Committee today, and the joint Committee, they preceded it.

demanded a London Boroughs Association, regarding the Bill, regarding those the Association of Displaced Homeless Councils has consistently in the new figures

in 1975 London counted applications from quarters of the homeless and single people who would be the white in the of the proportion of the year.

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Medical Correspondent
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at Rotherham, who were
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authority service. Many
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died. Tests by Sheffield
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possibly as a
of bacterial contamination
meat and vegetables.
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Mr Cook
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recent deaths 'caused pain-killing drug'

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Medical Correspondent
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before medical help can
be found. Dr R. M. Whitting-
Bromhead, coroner, says
today in the *British*
Journal,
have been 26 deaths from
in the West Midlands in
three years, some clearly
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PARLIAMENT, July 14, 1977

Mr Callaghan foreshadows more talks with trade unions after the Chancellor's statement on pay

House of Commons

There would be no White Paper at this moment on pay policy, the Prime Minister disclosed at question time.

He had been asked by Mrs Margaret Thatcher, Leader of the Opposition (Barnet, Finchley, C): What is the position on the White Paper? There is a note on the tape that there will be no White Paper, but that there will be a statement by the Chancellor of the Exchequer.

Does that mean no White Paper tomorrow or no White Paper at all?

Mr James Callaghan (Cardiff, South-East, Lab)—It means no White Paper at this moment. (Conservative laughter and cries of "Cheeky.") I do not know what is funny about that.

It means that having gone through the statement that the Chancellor will make tomorrow (Friday) it will be perfectly adequate if it is reproduced in Hansard the next day. That is all.

Mrs Thatcher—That is a major change in what we have been led to expect. There would be a White Paper on pay policy.

It looks as if we shall now be having a minor Budget statement, not the major one. The Prime Minister has abandoned the idea of having a White Paper before any economic statement.

Mr Callaghan—No. The statement tomorrow will contain a statement on pay and proposals that the Chancellor will put before the House in a few days. The next week, and has been done in this way for convenience.

As to whether there will be a White Paper in the course that is something the Cabinet can consider later on. (Cries of "When?") In the autumn, why not? (Conservative laughter.)

This is an awful lot of fuss about very little. If I had not known the Opposition's capacity for nipping-kick I would have expected some consultation on saving money on printing.

Mr Neil Kinnock (Bedwellty, Lab)—Can he give an assurance on the basis of his discussions this morning that the pay policy in the forthcoming Budget will be no different from the pay policy in the public sector will be no different from the pay policy in the private sector?

Mr Callaghan—I do not wish to anticipate the Chancellor's statement. Mr Sydney Bidwell (Ealing, Southall, Lab)—Will he recall that he was once the odd man out in a

previous administration on this issue. He said previously that if the state intervenes too vigorously on pay matters it is the public sector workers who inevitably get clobbered.

Mr Callaghan—Yes. That is why I am in favour of whatever we can get by way of agreement of a pay policy. It is the fairest way of trying to distribute awards in any modern industrial society. Otherwise the public sector tends to get left out. (Interjections.) It happens to be democracy. The Government have to work within the confines of the agreement they can secure.

Mr Arthur Lewis (Newham, North-West, Lab)—What about beer? It is up to three months in the case of Mr Callaghan. Mr Lewis looks well on it. (Laughter.)

Mr Norman Tebbit (Waltham Forest, Chingford, C)—Since the social contract is involved with the pay policy, can the Prime Minister clear up the mystery of what has happened to the social contract?

Mr Callaghan—The social contract is not intact. Yesterday, in a written reply, he told me it was not broken. What has happened is that it is dead and somebody just quietly cut it off.

Mr Callaghan—Knowing the care with which Mr Tebbit frames his questions, I was extremely careful to say that the social contract was not broken. I have tried never to give him an opening if he can possibly avoid it. (Laughter.)

On the social contract I have been refreshing my mind, this lunchtime, with the contents of the book.

I am glad to say it is still healthy.

A Conservative MP—Where is it? Mr Callaghan... especially in that part which says that Government policy will continue to be worked out by consultation with the trade unions, and after discussion with the trade unions.

Mr Enoch Powell (South Down, UU)—Will Mr Callaghan refuse to be dismayed by the course of the pay policy, which is a departure from the TUC, and hold fast to the principle that as long as the Government maintain their policies for control of the money supply, the pay policy will be restored without endangering the object of a reduced rate of inflation.

Mr Callaghan—I partially agree with Mr Powell. (Shouts of "Yes.") Which part the brewers are adhering to. If not, the Secretary of State will follow it up.

Abortion Bill will not get extra time

Mr Michael Foot, Lord President of the Council and Leader of the House, said today that the Abortion Bill will not be allowed further stages of the Abortion (Amendment) Bill.

Mr Roger Moore (Paversham, C)—There is a considerable loss of private members' legislation. Can Mr Foot say, for example, in relation to the Abortion (Amendment) Bill whether he has any intention of introducing extra time or Government money?

Mr Foot (Edinboro, Lab)—There is a considerable loss of private members' legislation. The Government have no intention of doing so.

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Mr Cordle and Mr Mauding seek debate

It was hoped to have a debate the week after next on the subject of the report on the conduct of MPs, Mr Michael Foot, Lord President of the Council and Leader of the House, said in answer to questions.

Mr Reginald Mauding (Barnet, Chipping Barnet, C)—Will Mr Foot arrange for a debate as soon as possible, and certainly before the House rises for the recess.

Mr Foot—I have taken note, as other MPs may have done, of the report which has been issued today and I am sure that it will be taken into account in how soon we can debate it.

It is the desire of the House, and particularly those MPs concerned, would like to have a debate before the recess we should try to do so.

Mr John Cordle (Bournemouth, East, C)—I support Mr Mauding's request for an earliest possible debate on the conduct of MPs. There appears to be findings by a select committee in 1965 based on a rule of conduct which was not enunciated until 1974.

Mr Foot—I make no comment on anything said in the report. I have not had the opportunity of discussing the possibility of a debate through the usual channels. But I would like to have the House able to have a debate before the recess and I would have thought it would take place the week after next.

Exemption from VAT for subscriptions

Mr George Cunningham (Islington, South, Lab) asked the Chancellor of the Exchequer in view of the Government amendment to Schedule 6 of the Finance Bill (No 77) tabled on July 8, whether progress had been made in drafting a Treasury order to provide exemption from value-added tax for members' subscriptions to trade unions.

Mr Robert Sheldon, Financial Secretary to the Treasury (Islington, South, Lab), moved a new clause (Leave travel facilities for the services) which, he said, exempted from income tax the cost of travel for members of the armed forces going on leave. It exempted the cash allowance equivalent to the value of the leave, and the cost of the travel, and a warrant might otherwise be available.

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Upkeep of historic houses: Tory MP attacks aristocratic lobby

Capital transfer tax as it affected the heritage was said to be a killer. Mr Robert Cooke (Barnet, West, C) said when report stage of the Finance Bill began, referring to a Government plan to raise money with tax relief for maintenance funds for historic houses, he said that nothing effective had been done to protect the resources required to maintain them.

Mr John Barnett, Chief Secretary to the Treasury (Harrow and Tottenham, Lab), moving the new clause, said its purpose was to give trustees of a maintenance fund approved by the Treasury, power to elect the second year of the assessed at the basic rate of 35 per cent and the additional rate of 15 per cent only, instead of, as at present, at the owner's highest rate of tax. This was a significant relief.

The clause gave effect to an undertaking given in committee. The point had been made in the House that the Government had agreed to help to maintain historic houses in the best possible condition so that the maximum number of people can benefit.

Mr Cooke said it was no use tinkering with the problem, as had been the case in the past. The owners of the houses must be left with the resources, both capital and income, to maintain it and to pay the tax on the income.

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Relief for those in job-related homes

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Amén to Carrillo again on earnings Moscow to intrude its own business

Our Own Correspondent
July 14

During the last few days, the Communist Party of Spain (Carrillo) has been saying that he is a renegade, not a nor anti-Soviet, but a sinner who wants certain things to be cleared up. Carrillo said that the former Soviet prime minister, Leonid Brezhnev, had said in an interview on television last night, he had said Eurocommunism was necessary to democracy, pluralism and universal suffrage. Carrillo said that the Communist Party of Spain was not an internationalist party, but a party that obeyed an internationalist party.

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shark and a sardine. Equality does not exist automatically between a shark, even a kindly one, and a sardine. Yet we must believe the shark is kindly since the sardine puts up with him.

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President Giscard d'Estaing acts as guide for visitors to the Elysée Palace, opened to the public on Bastille Day.

A rare Bastille Day look inside the Elysée

From Charles Hargrove
Paris, July 14

It is remarkable in this television age that so many thousands of Parisians, with a strong contingent of foreign tourists, turn out each year to watch and cheer the traditional Bastille Day parade.

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"My secretary is blind. I'd be lost without her."

Sandy takes down her boss's dictation accurately, then types it out from her braille shorthand. Good speeds, good page layout. Sandy says there's nothing special about that - and she's right. The fact that she's blind makes very little difference to her efficiency.

Sandy got her job on ability. And her ability won her promotion to personal secretary in an important Post Office department. That's the point. The RNIB trained Sandy at its Commercial College, and any firm that employs a qualified blind person will benefit from the demanding and professional training that we at the RNIB provide.

If you happen to be an employer, think it over. We'll be pleased to hear from you. Over and above that, the RNIB needs your help, through legacies and donations, to enable us to train others like Sandy.

RNIB
ROYAL NATIONAL INSTITUTE FOR THE BLIND

224 GREAT PORTLAND STREET, LONDON W1N 6AA
Under the Finance Act 1975, bequests to charities up to a total of £100,000 are exempt from Capital Transfer Tax. Registered in accordance with the National Assistance Act 1948.

July 14 was celebrated in Paris and the provinces by the traditional street balls. These were staged in front of railway stations, town halls, and some fire stations. And, of course, on the site of the Bastille, where it all started.

Spanish police face court martial

Mr Bryn, Harry Debolis
Madrid, July 14
A group of policemen who took part in an unauthorized demonstration last night in Madrid, were charged with sedition and sentenced to 10 years of imprisonment.

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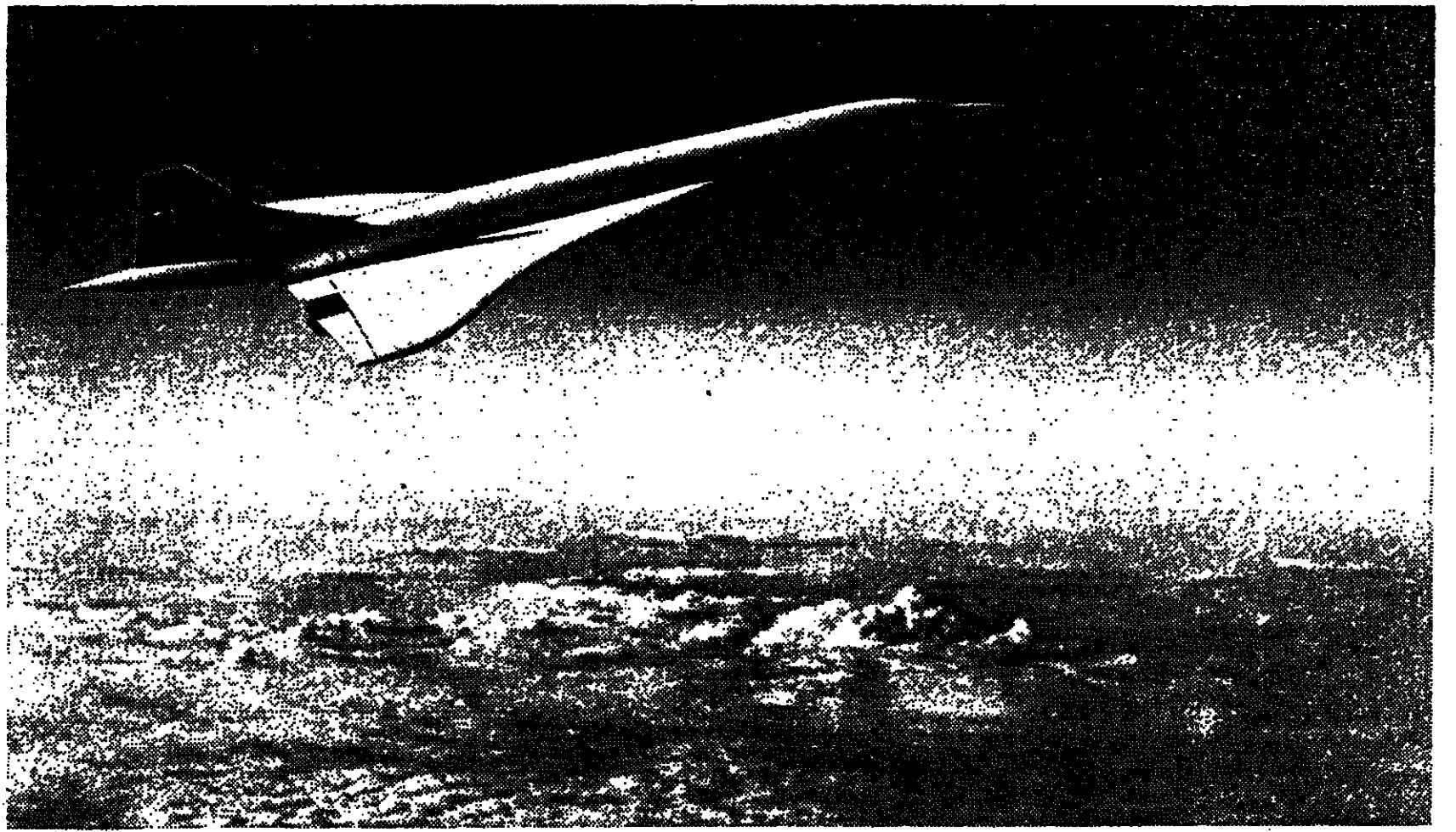
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A group of policemen who took part in an unauthorized demonstration last night in Madrid, were charged with sedition and sentenced to 10 years of imprisonment.

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AIR FRANCE

£200m fraud attempt on French bank

Paris, July 14.—The in- of a City of London to produce \$200m (£117m) at a moment's notice the Société Générale bank had been recovered.

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No. 12

Confidential section rumours touched off by signation of controversial Australian Governor-General

ERSEAS.

The new Governor-General, Sir Zelman Cowen, 57, has earned a world-wide reputation as a legal scholar by helping to establish legal education systems in China, Hong Kong and the West Indies.

He also has a deep interest in the complexities of his new post, having specialised in constitutional affairs and written a biography of Sir Isaac Isaacs, who was Australia's first native-born Governor-General from 1931 to 1935.

Like Sir Isaac Isaacs, the new Governor-General is a Jew with a brilliant academic background.

Sir Zelman was knighted last year. He was married in 1945 and has three sons aged 25, 22 and 11 and a daughter aged 18.

Sir John Kerr said tonight his time as Governor-General had been the most stimulating and challenging period of his life.

"I believe I have carried out my duties in faithful observance of my oath of office," he said, in a statement from Government House.

He now intended to turn towards "new fields of constructive activity". He did not explain what this would involve.

Sir John is reported to have completed his memoirs which he will be seeking to have published in the new year. The book is likely to be much sought after by publishers because he is expected to give his version of the turbulent events of 1975. —Reuter and Agence France-Presse.

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Sir Zelman Cowen, the new Governor-General, and his wife in Brisbane yesterday.

Mexico may ease curbs on political parties

Mexico City, July 14.—Mexico's stringent political system, which has perpetuated one party in power for nearly half a century, may soon be relaxed to ease the way for the creation of a truly democratic party in the country.

Official hearings have begun on the prospect of according legal recognition to more political parties as part of a plan by President José López Portillo to liberalize the system.

Although Mexico is multi-party in theory, the Institutional Revolutionary Party has monopolized power without interruption since 1929 because of tough laws which prevent other parties from taking part in elections.

Because of this, the PRI has become closely identified with the Government, and the democratic system has been unbalanced between the legislature and the all-powerful executive has all but vanished.

As a method of creating an Opposition, the constitution provides that any registered political party gaining 11 per cent of the total vote is automatically given five deputies, plus one deputy for each half of 1 per cent of the vote beyond 11 per cent, to a maximum of 25 seats.

But the rules governing the registration of political parties are tough and, apart from the PRI, there are only three other legal parties in the country—all of them too fragmented to make any impact.

Over the years, the PRI has managed to build up an enviable record in developing Mexico. But it has also spawned corruption, nepotism and bureaucracy because of the absence of a credible opposition to check abuses.

Some PRI members argue that the registration of other political parties would make Congress more representative and eliminate the need for the existence of guerrilla groups which claim that they have no channels of expression other than force.

The hearings have been held under the auspices of the Federal Electoral Commission which groups Interior Ministry officials and representatives of the four parties which already have legal recognition.

Appl from the PRI, the only registered parties in Mexico are the National Action Party, the left-wing Popular Socialist Party formed in 1949, and the Revolutionary Party, set up in 1954.

The most potential beneficiaries of the proposed reforms are the Communists and other assorted parties covering a wide range of the political spectrum which are allowed to operate yet which are barred from taking part in elections.

Other parties seeking official recognition include the Marxist-oriented Workers' Socialist Party, the Mexican Workers' Party and the National Students' Union, whose name derives from the Greek word meaning "with order".

Instead of struggling together for a common cause, the unregistered parties are already jostling out at each other.

Whatever the results of the proposed reforms, the hearings have at least served to reopen a debate long been dormant in Mexico. —Reuter.

Maple case adjourned in Athens

From Our Own Correspondent

Athens, July 14

The hearing on the extradition of Frank Maple, a Londoner aged 38, began today before the Athens Appeal Court but was adjourned until July 16 because of the defence's objection to the grounds of insufficient evidence and documentation.

Mr Maple's extradition was requested by the British and Austrian Governments. Writs were presented in court for his arrest in connection with alleged robbery, attempted or committed in London and in Kitzbühel, the Austrian ski resort.

Mr Maple when asked by the presiding judge, said he was "not the person who did these things". Asked if he wished to go to England, he replied: "I do not depend."

The court will rule on the objections on Monday.

But the summit agreement, while enjoining members to try to seal off South Africa from all sporting links, also acknowledged that it was for each government to act "in accordance with its own laws and methods."

Mr Muldoon said his Government's policy remained that of keeping political interference out of sport and of leaving sporting decisions to the sports bodies. His announcement has been delayed by his involvement in a defamation case brought against him by a New Zealand anti-apartheid group.

He was non-committal on what is expected to be the first test case of the Government's policy, an invitation to New Zealand rugby players to South Africa next month.

He said he would discuss this with the New Zealand Rugby Union. —Reuter.

Pakistan to free all political prisoners

Rawalpindi, July 14.—General Zia ul-Haq, the military ruler of Pakistan, said today he had ordered the release of all political prisoners. He repeated his determination to restore the country to civilian rule in October.

A total of 18 leading politicians, nine each from the former ruling Pakistan People's Party and the opposition Pakistan National Alliance were put in protective custody after the bloodless military coup last week. Sixteen of them, including Mr Bhutto, the former Prime Minister, are still being held.

General Zia did not say when they would be freed.

Giving his first press conference since the coup on July 5, the general said that at the time of the takeover he feared "civil war".

He promised to rule with an iron fist for the next three months to ensure law and order and to reduce political tension. "There is one language everyone understands," he said. "It is sometimes necessary to make a few examples."

General Zia ruled out trial for Mr Bhutto or any other politician, saying the issue should be decided by the next elected government. He also ordered the dissolution of all but one special court set up during Mr Bhutto's rule. The only one left would be a court trying Abdul Wali Khan, the Pathan leader, on conspiracy charges, he said.

Explaining his reason for the coup, General Zia referred to civil unrest, in which at least 350 people died, which broke out after a general election last March, when opposition leaders alleged had been rigged.

"I feared a civil war," General Zia said. "The two sides were armed to the teeth. The Army would have been deeply involved and it would have had to take over at a heavy price." —Reuter.

Uganda denies that judges have been arrested

From Our Correspondent

Nairobi, July 14

The Uganda Ministry of Justice today denied reports that seven judges and magistrates had been arrested by Ugandan security forces after submitting letters of resignation in protest against conditions there.

Uganda radio said the reports were false and malicious. No judges had ever been arrested by security forces, and the rule of law continued to be observed.

However, there have been complaints by judges and magistrates of interference in their work by the Army, and only recently they were assured by President Amin that nobody would be allowed to obstruct them.

Sanjay Gandhi accused over seized film

Delhi, July 14.—Police filed charges today against Sanjay Gandhi, the 30-year-old son of the former Prime Minister, and Visha Chandra Shukla, who was Mrs Indira Gandhi's Information Minister. They are accused of destroying a controversial film during India's emergency rule.

The film, a satire called Kissa Kuri Ka, or Story of a Chair, concerned self-seeking and corrupt politicians. It was produced by Mr Amrit Nahata, an MP.

The Information Minister seized the film in 1975 to prevent its distribution and the empty containers were found some weeks ago at a factory controlled by Mr Sanjay Gandhi.

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Trial of 'Gang of Four' could end in executions

From David Bonavia

Hongkong, July 14

More mass trials and denunciations are being organized in China's provinces by the Chinese Communist Party, the "Gang of Four" led by Chiang Ching, the widow of Mao Tse-tung.

Broadcasts from Kweichow province, in south-west China, have called for public mass trials of people who had sown dissension and disrupted production. Unnamed persons were accused of having beaten up cadres, persecuted the poor and lower-middle peasants and launched counterattacks to reverse verdicts. Some made use of clan and nationalistic relationships to stir up dissension and sabotage the unity between the masses and the cadres. Some fabricated and spread counter-revolutionary rumours, developed counter-revolutionary organizations and even committed murder and arson.

"Some seduced and corrupted the cadres, incited distribution of farmland to individuals and 'going it alone', sabotaged the mountain forests and the socialist collective economy."

The broadcasts also accused the supporters of the "gang" of having established links with alien elements of the country for corruption, theft and speculation, and stolen a lot of property belonging to the state and the collective.

In the case of the worst law-breakers, "with whom the people are very angry and who must be dealt with according to law, we must make the masses aware of their great crimes, conduct mass discussion and deal with them with great fanfare at public trial so as to frighten the enemies and educate the masses."

This phrasing suggests that some of the mass trials might end in execution of the accused.

A broadcast from Kiangsi province has told of a meeting of some 10,000 soldiers and civilians at which an unnamed former official was "pushed into the dock with his confederates". He was accused of having wanted to make Chiang Ching party chairman.

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TES Schools Prom, Room 256, Times Newspapers Limited, New Printing House Square, Gray's Inn Road, London WC1X 8EZ

Tennis

Third seed loses to Miss Coles

Kitzbühel, July 14.—Manuel Orantes, of Spain, the second seed, and Bob Lutz, of the United States, the fourth seed, were upset in the historic Grand Prix tennis tournament. Tomas Sand, of Czechoslovakia, beat Orantes 7-5, 6-4; Zeljko Franulovic, of Yugoslavia, beat Lutz, 6-4, 7-5. Britain's Glynn Coles defeated the third-seeded Lesley Hunt, of Australia, 6-4, 3-6, 6-3.

MEN'S SINGLES: Second round: T. Sand (Spain) beat M. Orantes (Spain), 7-5, 6-4; Z. Franulovic (Yugoslavia) beat B. Lutz (U.S.), 6-4, 7-5.

WOMEN'S SINGLES: Second round: Miss G. Coles (GB) beat Miss L. Hunt (Australia), 6-4, 3-6, 6-3.

FIFTH ROUND: St. Paul's beat St. George's, 2-0; St. Paul's beat Windsor, 2-0; Sherborne beat St. Paul's, 2-0; Upton, 1-1; Cranleigh, 1-1; St. Paul's beat REC, 2-0; Slough beat Watford, 2-0.

Double chance for St Paul's

The final in the boys' schools LTA championships for the Clark Cup at Wimbledon today will be between St Paul's and Windsor GS. St Paul's (M. A. Cottrell and A. J. Tisker) defeated Uxcomb comfortably, but Windsor (M. Langham and C. James) dropped a set in each of their singles against Sherborne. St Paul's have a chance of the double since they have also reached the semi-final round of the junior event for the Milbourne Cup. Today they will play Harrow.

FIFTH ROUND: Sherborne beat Cranleigh, 2-0; St. Paul's beat St. George's, 2-0; Windsor beat Sherborne, 2-0; St. Paul's beat Uxcomb, 2-0; Upton, 1-1; Cranleigh, 1-1; St. Paul's beat REC, 2-0; Slough beat Watford, 2-0.

Badminton

2 Danes easily through

Auckland, July 14.—The tournament favourites, Flemming Delfs and Miss Lene Kuppen, both of Denmark, comfortably won their group making nine-point entries in the normal badminton tournament here tonight.

SINGLES: Group A: I. Dells (Denmark) beat S. Samardilomong (Thailand), 2-0; 19-18, 15-11; E. Lee, beat Thawee (Siam), 2-0; 15-11, 15-11; Group B: H. Delfs (Denmark) beat R. Livingstone (NZL), 2-0; 15-11, 15-11; N. App (Singapore) beat P. Tan (Malaysia), 2-0; 15-11, 15-11; Group C: H. Delfs (Denmark) beat A. Hsu (Malaysia), 2-0; 15-11, 15-11.

WOMENS': Group A: Miss Kuppen (Denmark) beat Miss P. Kallinping (China), 2-0; 11-5, 11-5; Miss A. Toouren (CHN) beat Miss S. Vlas (Soviet Union), 2-0; 11-5, 11-5; Group B: Miss S. Kuppe (Denmark) beat Miss S. Ng (Singapore), 2-0; 11-5, 11-5; Beckson (Netherlands) beat Miss A. Rouen (NEZ), 21-9, 21-0.—
Routen,

David Robinson

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4, Constable, Gainsborough, Turner, Monet, Whistler, many other world famous artists have been inspired by London over the last three centuries. Their paintings are now on "Fine Rooms" of Somerset House, some of which are open to the first time this century. Monday-Friday 10-7, Saturday & Sunday 10-3.30. **SOMERSET HOUSE, STRAND, LONDON WC2. 7 JULY-9 OCTOBER 1977.** AD BY THE OBSERVER, JRM UNITED KINGDOM LTD AND SOTHEY'S.

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had said, was intended to diminish the importance of consultation by employers. The Appeal Tribunal

Nothing—the Appeal Tribunal had said—was intended to diminish the importance of consultation by employers. The Appeal Tribunal

plaint that the dismissal was unfair on some other ground. It was essential to guard against the temptation of making a finding of unfair dismissal as a means of "topping up" what might be considered an inadequate redundancy payment.

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The person appointed will work in collaboration with fellow Directors in fostering an integrated approach to management and arranging the management input for multi-disciplinary courses. He/she will also liaise with the Civil Service Department and other government departments, both to ensure that the College training accords with Civil Service needs, and to facilitate the supervision of research and the preparation of teaching material.

Candidates (men and women) should normally have an appropriate qualification in a management or behavioural science, and, ideally, experience of personnel management at a senior level. They must have teaching skills, be able to foster these skills in others, and have the ability to relate theoretical concepts to the needs of the students, many of whom have had considerable management experience. Ability to manage staff, handle administrative matters, and operate within an interdisciplinary team is essential.

Starting salary within the quoted range. The appointment is pensionable and will be for a period of 5 years initially or, if appropriate, on secondment.

For further details and an application form (to be returned by 8 August 1977) write to Civil Service Commission, Alconon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G9548/.

Head of Information


Following the decision of Barney Keelm to retire in the autumn, the Authority invites applications for the forthcoming vacancy of Head of Information. The post is based in London and is open to men and women. It is being advertised both within and outside the Authority.

The Head of Information reports to the Director General of the Authority. The Information Division, which the postholder will be in charge of and have budgetary responsibility for, contains specialist staff in press, public relations and publications; it also includes the IBA Broadcasting Gallery and the Library.

The successful candidate will not only possess high competence in dealing with the normal 'information' function of telling the public, through the written and spoken word, about the Authority's activities. He or she must also be able to explain, to people at all levels - for example to Members of Parliament and interest groups as well as to ordinary viewers and listeners - the background to the Authority's thinking on broad policy questions. The Authority will also expect that the person appointed will be particularly qualified by experience and aptitude to maintain and develop arrangements for contact with the public through meetings of varying kinds throughout the country.

'Information' is to be seen in this post not merely as a one-way process where people outside are told what the Authority is doing and thinking; it also includes the essential function of making the Authority itself aware of public attitudes to its services, as represented, for example, by what is written in the Press and elsewhere and by what is said at public meetings. Applicants should be able to demonstrate that they have relevant experience and qualifications, preferably in broadcasting or journalism, and that they also have the intellectual capacity to give to the Authority and its senior staff authoritative advice, based upon a capacity to identify the essentials of policy and to assess what is required in terms of the information function. The Authority will be as much interested in applicants' proved capacity in this latter policy area as in specific experience in the press and public relations field.

This is one of the senior posts in the Authority and the salary will be not less than £12,500.



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S. J. CLAYTON
Town Clerk



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practical legal experience within a large organisation. Candidates should be solicitors or members of the Chartered Institute of Management Accountants (CIMA), or Chartered Accountants (ACAs), will be considered. Preferred age 25-30.

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Even in Africa's scarred history, never genocide on this scale

On English ears it has a pleasing Lilliputian ring, the Tutsi and Hutu of Burundi. It was the Belgians' Switzerland of Africa. But it was not satirical fantasy or tourist brochure which brought this obscure, tiny, very beautiful country to world attention. On April 30, 1972, the signal was given in Burundi for the start of a massacre unparalleled even in Africa's tormented history.

It was to have been the Tutsi's final solution of the Hutu question. But like all final solutions, it lacked total finality. It went far enough: 200,000 Hutu were butchered or fled over the border. The population of Burundi is only 3.5m, and it is estimated that 25 per cent were killed within a few weeks. Comparative figures for Britain would have been 2,000,000 deaths, 8,000,000 for America.

It is a complex and therefore oversimplified story. The Tutsi are portrayed as a pastoral aristocracy, tall, skinny, aloof; the Hutu as dumpy peasants. The former account for about 15 per cent of the population, the latter 85. In essence, the tragedy of Burundi has been the struggle for majority rule. Between 1961-76 there were nine violent changes of government, three prime ministers and a king assassinated, one king and a president deposed.

But it would be wrong to see this as a straight Hutu challenge to Tutsi ascendancy, an ignorant peasantry standing up to their overlords. The road which led to the 1972 bloodbath was littered with not only the bones of the Hutu but also those of the victims of infighting between the two main Hutu clans, the so-called lower caste Hima group and the higher caste Banyaruguru. Both groups certainly treat the Hutu in general as serfs. Yet members of the majority tribe achieved senior positions in the army, civil service, education and in such professional and business life as could be expected in one of Africa's poorest countries, where the per capita annual income is only about £35. There was considerable social interchange, even inter-marriage, between the Tutsi and Hutu elite.

We are talking of a collision of intimates, not strangers. It made the 1972 bloodbath even less excusable, if there can be gradations of the inexcusable.

The Tutsi have always argued that the Hutu started it and so had it coming to them. They have a point. The indictment against the Tutsi is that they took retribution to horrendous lengths, that a purge became a pogrom.

In April 1972, some 2,000 Tutsi were killed in a Hutu rising. The rebels had been encouraged by the successful seizure of power by the Hutu majority in neighbouring Rwanda. Helped by Mulelist exiles from Zaire, the Hutu revolt in Burundi gained considerable ground in the province but failed dismally in Bujumbura, the capital. The capture of the radio station and airport are the prerequisites of African coups.

It gave President Michel Micombero (ousted last November) the opportunity to mobilize his small army to crush the Hutu rising. But the Tutsi counter-attack was already under way by party youth-wingers in a frenzy of killing. They were undoubtedly responsible for some of the worst atrocities. Many of the youths were half-crazed by drugs and drink and in the end many were shot like rabid dogs by government troops. Precisely what happened will never be known. The best account of the Hutu massacre is a report prepared for the London-based Minority Rights Group by Professor Rene Lemarchand and David Martin, who drew on first-hand experience of the American teacher in Burundi, Mr Jeremy Greenland.

It is possible that the Micombero regime simply set out to suppress the rebellion and punish its leaders. It may not have been guilty of premeditated genocide, but genocide is what it came to. In the circumstances, it would have been understandable, given the history of Burundi, if the Hutu leadership had been given short shift, but it went far beyond that.

Mr Greenland has described how the youthwingers and troops went on the rampage, killing every Hutu they could lay hands on—peasant farmers, shop assistants, gardeners, cooks, chauffeurs, clerks, nurses... Those, in short, who could have had no hand in planning the rising against the Tutsi and for the most part played no part in it. In Bujum-



Former President Micombero: 'retired' in November after an army coup

bura alone some 4,000 Hutu were shot or clubbed to death. Hand grenades were thrown into crowded cells to quench prisoner berserk with fear. It is the despatch of the Hutu governing class, church leaders and intellectuals and the random slaughter of the Hutu peasantry were not enough, the Tutsi, hysterical with hate, visited the sins of the Hutu fathers on their children.

Bands of Tutsi soldiers and armed civilians grabbed Hutu students and schoolchildren, herded them into trucks and battered them to death. It saved ammunition.

What it means, of course, is that in eliminating the present generation of educated and semi-educated Hutu, the Tutsi took good care to eradicate the potential challenge of the younger generation. The mindless slaughter of women and babies, the torture and mutilation, the razing of villages and the wanton destruction and looting completed a nightmare picture of a people who for a few weeks lost all control and regarded themselves as the bloodthirsty savages of Africa. It placed Burundi firmly in the 'unspeakable' league.

Hardly a voice was raised in protest. The OAU hoped that President Micombero would speedily resolve the situation—which he did, but not as the OAU implied in its fawning message. The United Nations dispatched a team, all of five men, which did little more than record that UN Children's Fund Land Rovers had been commandeered to take piles of corpses to mass graves. The Americans,

who might have exerted pressure as main buyers of Burundi's coffee, paid little heed, likewise the British. Over the border in Tanzania, President Julius Nyerere soon discovered what was going on and promptly gave, and still gives, asylum to thousands of Hutu refugees.

What it amounts to is that Burundi is a small landlocked country in the middle of Africa of no economic or strategic importance and therefore of no consequence. No pogrom has ever aroused so little international concern.

As for Belgium, the former colonial power, vested economic interests paralysed protest. There were nutcrackers in Brussels about sanctions, but no one in Bujumbura took them seriously, knowing that the French would be only too happy to step in should the Belgians drop out.

So Burundi was left to its own hideous devices. Belgium after held historically responsible in that she should have introduced majority rule before independence in 1962. But the Belgians exercised their United Nations mandate indirectly through the Tutsi kings, and the tribal status quo was maintained. The introduction of the vote in 1956 notwithstanding. Yet allowing for Belgium's colonial failings, it would be quite wrong to blame her for the 1972 slaughter.

The blame lies squarely on the shoulders of the Tutsi leadership—and they know it. They know they are guilty of genocide. The "good" Tutsi, of whom there are many, are deeply ashamed.

Last November, Micombero,

a spent force, was "retired" to a country villa after a bloodless coup within the army. His successor, Lieutenant-Colonel Jean-Baptiste Bagaza, combines the advantages of a social science degree with five years' training at the Brussels military academy. He is of a radical turn, but no Marxist. He is bent on economic and social reform. Four Hutu are included in his young administration: its average age is 32, his own. However well-disposed towards the Hutu, the fact remains that President Bagaza is captive of the powerful Tutsi clan within and outside the army which backed his bid for power, and that Tutsi hegemony has been entrenched after the "prophylactic violence" of 1972 subdued the Hutu. Any Tutsi radical advocate of radical change would soon be silenced. President Bagaza is certainly an enlightened young officer with progressive ideas, but he must tread carefully in extending them to the Hutu.

One can only dolefully conclude, therefore, that the potential for disaster remains. The Tutsi continue to be obsessed, as well they might, with all the fears and suspicions an oppressive ruling minority is heir to. It can only be a matter of time before the Hutu throw off their yoke and claim the divine right of numbers. The extermination of their leaders and the educated and semi-educated class will delay the lodging of their claim—or so the argument runs. Communities enjoying such a large majority as the Hutu of Burundi generate new elites as fast as the old die.

The Hutu rose in 1964, 1965, 1969 and 1972. Another rising is inevitable, and the changes are that once again the world will witness, perhaps with rather less indifference than in 1969, the slaughter of a large minority in a small country. The Hutu could win next time, with the slaughter on even a greater scale than in 1972 as the Hutu take their revenge, as the Rwanda Hutu took it against the ruling Tutsi minority in 1959. Long-term, the tribal imbalance is corrected in favour of the massive Hutu majority. All the ingredients are there for another explosion.

A Special Correspondent



The sad fact is that some of the best things in life may kill you

The outraged tone of most of the recent letters to *The Times* about sea-bells is evidence of one thing: the public mind is being opened by health educators. This resentment is even more marked if there is any suggestion that Britain should follow the example of countries like Sweden and legislate to protect health by, for instance, progressively raising the price of alcoholic drinks and cigarettes.

Opposition to proposals of this kind is based partly on their interference with individual freedom; but another practical objection is the killoy image of so much preventive medicine. It is unfortunate but true that almost everything that is bad for health is also fun, and that the popular picture of the healthiest person is one of a dedicated ascetic leading a Spartan life centred on cold showers, early morning exercises, and a bleak vegetarian diet. In contrast, the easygoing, carefree, pleasure-loving, smoking and overeating are the normal pursuit of simple pleasures and sees no reason why he should not be allowed to shorten his life expectancy without officious interference. Whose business is it but his own?

The answer is that preservation of the affluent life style has become important for a whole range of commercial interests. Virtually every aspect of modern living that is medically inadvisable is encouraged by some lobby or pressure group, and in many cases the brainwashing has been so successful that dangerous habits are taken for granted as normal. The two most prevalent physical disorders in our society are dental decay and excessive weight. Yet every child is subjected to repeated pressures to learn the habit of eating sweets, chocolate bars and biscuits between meals as a source of "energy", and the television screens project the idea that any spare moment is a chance to top up the calorie-tank.

At least, the sweet manufacturers do not claim their products promote health. But that is the stand taken by the farm-lords and dairy industries. What could be healthier than milk, eggs, cheese, cream and

especially yoghurt? Every family is subjected to repeated exhortations to eat the "natural goodness" of milk products. What hope has the nutritionist who wants to persuade people to eat less rather than more butter? Meat in general and steak and hamburgers in particular have acquired an aura of masculine vigour, of strength and vitality, and in consequence countries like Britain consume vast amounts in the false belief that protein is the best (as well as the most expensive) food. In contrast, vegetarianism has a persistently crank image, perpetuated by the small scale of its retail outlets, and the lack of any commercial lobby on its behalf.

Advertising is equally effective, and equally dangerous in the image it projects of alcohol as the accompaniment of a luxurious festive life style. This, towards the drinker, is always young and beautiful, thin and happy. No one pictures the overweight depressives nursing their hangover headaches on a Sunday morning. Another all too pervasive image is the power and masculinity associated with speed—fast cars, motor cycles, and rapid travel in general. Anyone advocating stricter speed limits, tougher action on drink and driving, and a non-competitive driving style risks being labelled as snail and unmanly.

Tobacco advertising is the least defensible of all. Current promotion of the new cigarettes containing tobacco substitutes suggests that they have been cleared by the Hunter Committee and are safe for the lungs. In fact there is not a shred of evidence to support such a belief, and for all we know the substitute cigarettes may be more and not less dangerous.

Commercial lobbies are not limited to advertising in promoting their interests. They are also highly effective in influencing public opinion through their contacts with journalists and politicians. Brewers and distillers promote the case for cheap, alcoholic drinks being sold widely accessible, with extensions to licensing hours; the road lobby resists any suggestion of subsidies for rail transport, though heavy lorries are responsible for a disproportionate

number of road deaths and serious injuries, while the EEC butter mountain and wine lake are recent examples of government-subsidized overproduction of foods that damage health when consumed in excess.

What can opponents of these lobbies do? In theory, they can put the opposite side of the case, but they mostly lack the financial resources for heavy expenditure on public relations and advertising. Nor have they received the help they had a right to expect from the Department of Health, which seems unwilling to trespass on the territory of the Home Office or other government departments. There has been little evidence of any advice from the DHSS in shaping Whitehall policies on transport or agriculture. When economic and health interests are in conflict, the balance always seems to come down against health.

What can be done? Those who insist more loudly that individual freedom must be preserved ignore the daily infringement of that freedom by professional persuaders and the erosion of choice by monopolies. There is a strong case for another surge of state intervention comparable to that inspired by health reformers such as Chadwick in the nineteenth century. They were concerned with purity of water supplies, sewage, and refuse disposal, and they were opposed by vested interests who argued the case for "freedom". The present-day problems are comparable: in Victorian society most premature deaths were due to insanitary living conditions in overcrowded cities, while in Elizabethan Britain, the leading causes of death were accidents (too many of them alcohol-related), cigarette smoking, lack of exercise, and overeating the wrong foods.

Education alone is unlikely to lessen the impact of these factors on our health. There is a place for interventionist government, and that place is a positive policy towards health. We know many of the causes of cancer and heart disease, our modern plagues: Why does our society lack the courage to tackle them?

Dr Tony Smith

Bernard Levin

Hold everything, I've found the answer

Aftermath of the Eltham crash: the train driver and five passengers died.

In suggesting this week that drinking on the railway should be regarded more as a sickness than a crime, the National Union of Railwaymen seem to be dangerously confusing two separate issues.

Drinking can be an illness in a railwayman as in anyone else; and if it is, deserves to be treated as such in terms of social benefits and medical care. But to drive a train, perhaps with hundreds of people on board, while under the influence of drink is an act of unbelievable folly, and the public has a right to be protected even more perhaps than now.

The last serious accident attributed directly to drink was in June 1972, when a returning day trip from Margate took a 20 mph bend at Eltham, south London, at 65 mph. The train left the rails killing the driver and five passengers, and injuring nearly 150 more. The driver's blood was found to contain three times the level of alcohol permitted for driving a car.

Railway regulations forbid employees to report for duty under the influence of drink, or to consume it on duty, on pain of reprimand or dismissal. Railway police have power to arrest a man drunk on duty and prosecute with a maximum penalty of £25 (to be raised to £200 by a railway Bill currently before Parliament) or two months' imprisonment. If he

Drink and the train driver

is endangered imprisonment can be up to two years, and where lives are lost there could be a charge of manslaughter with a maximum penalty of life imprisonment.

Despite these sanctions, drinking seems to be increasing on the railways. British Rail brought 300 disciplinary cases in the five years to 1974, resulting in 120 dismissals, among them 10 drivers. This is only two drivers a year out of 27,000, which in a way sounds not too bad. But within those figures is a steadily rising trend (a 172 per cent increase in 1974 over 1970) which has presumably continued since.

Airline pilots are not allowed to drink either on a flight or for eight hours before it, and a similar rule for train drivers was considered, and rightly rejected, by the inspector at the Eltham inquiry, as unfair to large numbers of sober, competent drivers who liked a drink with their dinner.

But the inspector's further comparison was perhaps more questionable. In concluding that present railway rules are broadly sensible and sufficient, he remarked that lorry drivers

(and he might have added coach drivers) most like crash drivers, and that the danger of drinking and driving is left by hauliers to the good sense of drivers. What he failed to mention is that like all other road users, coach and lorry drivers are under the constant watch of the police who, with their breathalysers, are a powerful deterrent to drunken driving.

Heavy drinkers are notoriously resistant to admitting, or even knowing, the seriousness of their problem, and if owning up results in the loss of a job the danger of just going on and on is great. The NUR rightly fears. But the consequences of rail crashes can be so horrific that whatever is done about railwaymen, known to have a drink problem (a delicate and complex issue), the public will want greater, not lesser precautions, as the incidence of drinking rises nationally. This might include even tougher sanctions (the Eltham driver had been once charged for drunkenness then reinstated with union support), breathalysers for railway police as the Eltham inspector suggested, and more regular medical checks.

But the greatest need is recognition by railwaymen themselves and their unions that drinking and train-driving do not mix.

Michael Bailey
Transport Correspondent

Recognition for outstanding services

It was ironic (well, I thought so) that at yesterday's Sword of Peace presentation in the Cutlers' Hall there was so much on brass bent on a great deal of praise rattling, and the fumes of peace were becoming as thick as the fumes of Norfolk.

The brass itself (I think particularly of Admiral Sir Raymond Lygo, General Sir Roland Gibbs and Air Chief Marshal Sir John Aiken) was a rattling good form. Sir Raymond, who started his career as a copy boy on *The Times* and, for the war, might even have been ensconced in an office next door to his old chum Louis (then here at New Printing House Square, told me of one of the unreported events of the pithead Review week before last.

At the end of the formal line of vessels which saluted the sea, there appeared a smart, sleek racing yacht, which under the expert hand of her

helmsman) came about perfectly and, in its turn, saluted the Royal yacht. The boat was Morningcloud and it became clear that Edward Heath was at her helm. "A lovely bit of seamanship," said Sir Raymond thoughtfully. No doubt Margaret Thatcher, on a warship, felt it was a bit of one-upmanship.

The Wilkinson Sword of Peace is presented annually to a unit from each of the three Armed Forces. The swords themselves are specially inscribed, though they are of standard Service pattern so that they may be carried on parade.

Admiral of the Fleet, Sir Edward Ashmore, who retires next month as Chief of the Defence Staff, presented this year's awards (the eleventh in the series) to the Royal Navy's Hong Kong Squadron, to the 2nd Regiment, Royal Military Police (for the Army) and to Royal Air Force Leachbrook.

The point of the swords is that recognition should be made of outstanding efforts by British units in fostering good relations in the territories and areas in which they are stationed.

Following in Felix's footsteps

The last cat I laughed at was Felix, so I thought it was time I found out what had happened to feline fun since those halcyon days. To judge by the Cat cartoon and paintings exhibition at The Workshop in Lamb's Conduit Street (within misgiving distance of this office), it is no longer puss who generates most of the laughter but the punster who thinks up the words to go with him.

Thus, we have the piece of music called Clawed Depussy. Elsewhere, a cat sits in the window of a chemist's shop and gives rise to the title Puss in Boots.

There is an enthroned moggy

Identity crisis
The young man in the smart suit who strode briskly past the long queue of tourists and straight into the Lobby of the House of Lords yesterday was quickly apprehended by the long arm of the law.

identified as Magnifi Cat, and a boxer rejoices in the sobriquet All Cat (formerly Cattus Clav).

A tree, whose hanging branches are heavy with cats, is titled Catkins, and the whole exercise becomes positively surrealistic with a comb that is transfigured (the pun is there if you have time to find it) into the Cetacomb.

There are charming water-colours, too, including four miniatures by Sir Hugh Casson, but the accent is on fun and the pun, and so infectious is it that you will find it difficult not to ask one of the helpful staff if there is a catalogue.

conscience, grabbing the young man by the arm. "The Earl of Gosford," he replied, politely. "So you want to see him, do you?" the officer went on. "No, can he?" explained the seventh Earl, who made his maiden speech to the House but a month ago.

The incident did not appear to mar the occasion of his thirty-fifth birthday.

Dreadful show and not sporty

It is, of course, regrettable that Don Revie failed to ask permission of the Football Association before blowing his nose in public.

What is worse is that, without first informing the FA, he made secret plans to purchase a dozen new handkerchiefs so as (in his own words) "to secure the future of my nose".

In doing a "Greig", Mr Revie has shown that top sports administrators are to be trusted no more than top sportsmen. But then how can you expect people like that to understand that the "English thing" when you intend to apply for a new position, is to inform your current employers so that (when you do not get the new post) they can sack you for disloyalty anyway.

And as for Mr Greig (who is obviously the cause of Britain's slump as a world sporting power), I agree with all the cricketers who point out that he was very lucky to score 76 runs in the Test. The important morose was quite right to boo him at Old Trafford.

Whisky guffaw

I went to a whisky morning yesterday, and it proved spirited in several ways. Host was David Grant, international marketing director of Glenfiddich, Guest of honour was Sir Ronald Radford, chairman of the Board of Customs and Excise.

Mr Grant was making the point that the distillery was much less exacting than the notorious days of the duty-dodgers. Less exacting, too, was the life of the excise man.

Razor-sharp, Sir Ronald cut in: "I would have thought we excused more." We all laughed. Earlier, Mr Grant had asked: "Efficient as they are, they are not so much to the distilling bit but to the fiction label."

A doll called Scouting Jack Jones is on sale in the United States. "A purely fictional character," says the Trade Marks Journal. A well-known London reader objects: not so much to the Scouting bit but to the fiction label.

Early yesterday morning, John Merrill set off to walk 340 miles around some of England's most beautiful but precipitous country. For this well-known marathon walker and writer, the perambulation around the perimeter of Derbyshire is not just for fun, but also to raise cash for the National Trust's Appeal for Derbyshire and the Peak District. Sponsorship is 1p a mile, and there is a lottery with prizes for those who guess the precise time of Mr Merrill's blistered return to Sudbury Hall on July 24.

proof gallons." Eyebrow arching from Sir Ronald. "Due to evaporation," explained Mr Grant.

The occasion for the repartee and subsequent downing of liquid gold was Sir Ronald's official looking of a spirit safe, on permanent view at Grant's Piccadilly offices. The safe, from a distillery, is a quality control device, not a hospital cabinet for the Piccadilly staff.

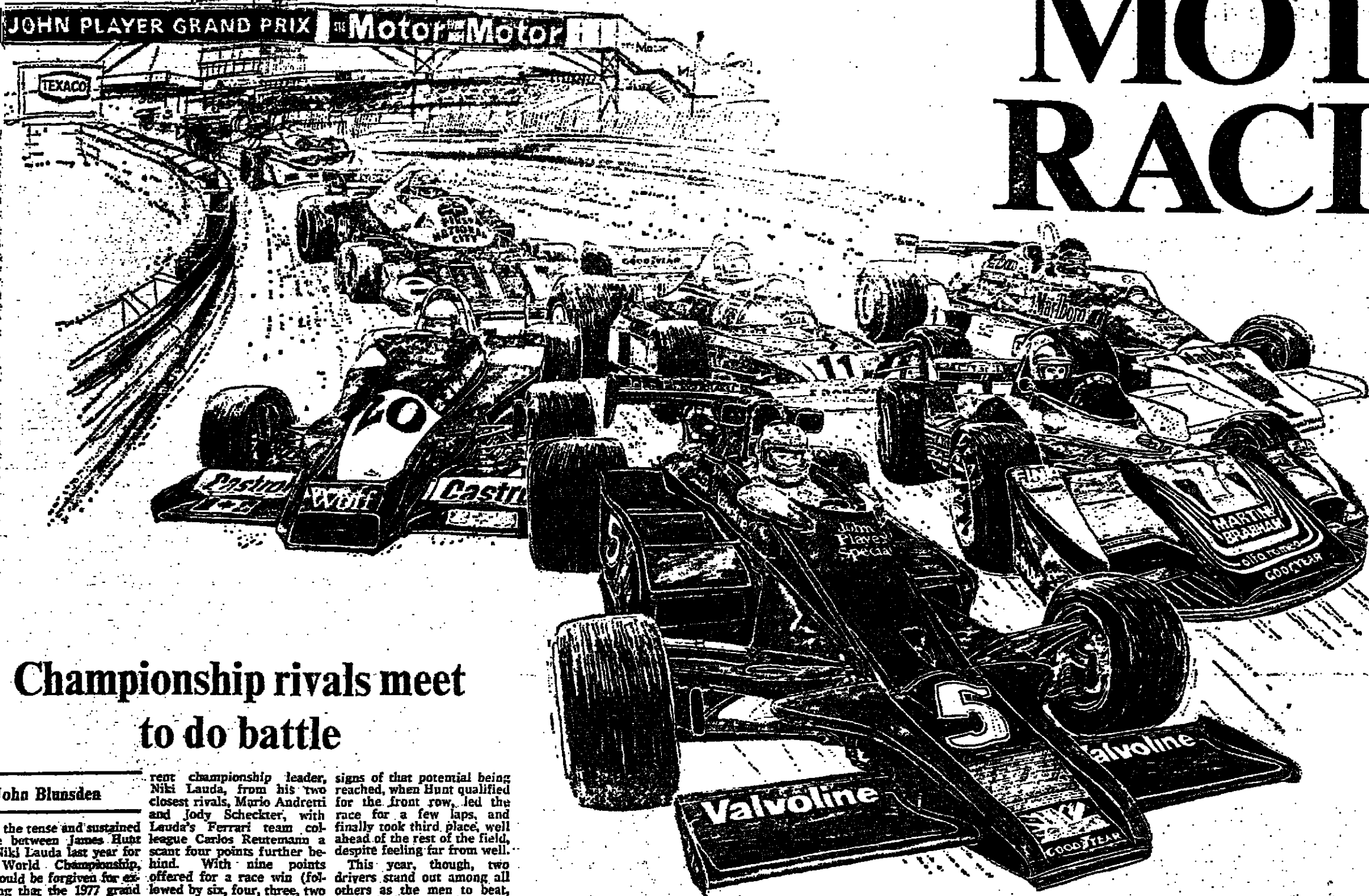
A doll called Scouting Jack Jones is on sale in the United States. "A purely fictional character," says the Trade Marks Journal. A well-known London reader objects: not so much to the Scouting bit but to the fiction label.

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July 15 1977

MOTOR RACING

a Special Report to
mark tomorrow's
British Grand Prix
at Silverstone



Championship rivals meet to do battle

John Blunsden

Every number of serious injuries to drivers in the past few years has been a cause for concern. The fact that the sport has become so dangerous is a sad fact in itself. The fact that the sport has become so dangerous is a sad fact in itself. The fact that the sport has become so dangerous is a sad fact in itself.

Championship leader, Niki Lauda, from his two closest rivals, Mario Andretti and Jody Scheckter, with Lauda's Ferrari team colleague Carlos Reutemann a scant four points further behind. With nine points offered for a race win (followed by six, four, three, two and one for the next five places), any one of this quartet could be heading the table by late tomorrow afternoon.

In deference to its heavy margin of advantage to over Andretti, Lotus and Ford are finding their main opposition in the shape of John Watson, Brabham and Alfa Romeo. Until he retired from this branch of the sport, Chris Amon was the undisputed claimant to the title of unluckiest grand prix driver.

Whereas last year the power battle was fought in the main between the Ford V8 engine in Hunt's McLaren and the 12-cylinder Ferrari mounted behind the cockpit of Lauda, this year again this season has been in a position to win a grand prix, only to be thwarted by some petty trouble. Twice he has been shown out of contention by other drivers, and in France he failed to win his first race for the Martini Brabham team for the want of one more litre of petrol—sufficient to see him through the last three corners of the last lap of the Dijon-Premaux circuit.

Now, it seems, this dubious honour has passed to John Watson, a driver of great natural talent and mechanical sympathy who time and again this season has been in a position to win a grand prix, only to be thwarted by some petty trouble. Twice he has been shown out of contention by other drivers, and in France he failed to win his first race for the Martini Brabham team for the want of one more litre of petrol—sufficient to see him through the last three corners of the last lap of the Dijon-Premaux circuit.

John Thirk

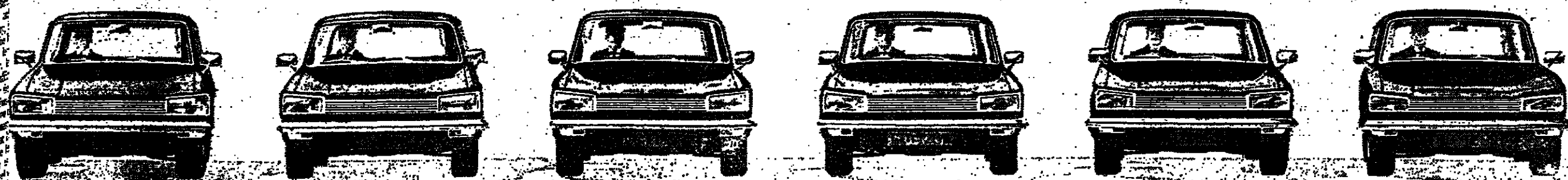
Silverstone headlines (the last time was in 1973, as the instigator of the multi-car pile-up) is Jody Scheckter, who today is a much more mature driver, perhaps second to none in single-minded determination. He and the new-look Walter Wolf racing team have proved the revelation of 1977: they surprised the grand-prix world by winning their first grand prix, in Argentina, but they surprised it even more subsequently when, by a series of fast and consistent performances, they demonstrated that the Argentinean result was no fluke, but an accurate indication of their potential.

Recently, the team has been plagued by a mysterious fuel-feed problem, and Scheckter has not added any championship points since his victory at Monaco, although he retained the lead in the championship table for two more races. If his car returns to its former level of reliability this week, Scheckter will prove a tough driver to beat at Silverstone.

continued on next page



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Track which mixes safety with excitement is a sporting showplace

of 130 mph, Silverstone is among the fastest of contemporary grand prix circuits. This year, with even more improvements in amenities for spectators and competitors alike, it provides a spectacular and fitting background for Britain's round of the 1977 world championship, and for the subsidiary races and ancillary activities which are to support it.

The smaller way to bigger things

sored by Vandervell Products, a components supplier to the automotive industry. On the Continent there is thriving European championship, which has undergone a dramatic revival this year after fading almost into oblivion.

Yet not all the fastest drivers in Formula Three move automatically into Formula Two as the next step up the ladder. A few, with access to enough spec-

has not only been good for motor racing, but also for manufacturers, for whom victory in this national championship will mean publicity and prestige. One thing seems certain at this stage in the still wide-open Jubilee Year Championship: the winning car and driver combination is almost certain to be British.

The author is deputy editor, Motor Sport.

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How come one of Britain's most successful rally cars didn't win a single rally last year?

If you got a secret twinge of pride last year when a car just like the one you drive came first in a major rally, you do not drive a Triumph Dolomite.

Because although Dolomites consistently came first in their class they never came first overall.

But then, some of the cars that did come first bore about as much resemblance to ordinary production models as the QE2 bears to the Woolwich ferry.

They had been, to put it mildly, 'modified'.

We believe that any car that's as well engineered as the ordinary road-going Sprint should be able to cope with rally conditions without being modified out of all recognition.

True, we did fit a roll-cage and a fire extinguisher, but we had to do that because the safety regulations required it. We tuned and balanced the engine to get the maximum power out of it, we tightened up the suspension

to cope with the rougher rally conditions, we put spotlights on the front to shed a little extra light on the gloomy forest roads, and we stuck on a racing exhaust. That's the kind of thing we were allowed to do.

But in the end, the car was much closer to a standard road version than highly modified outright winners.

And as you can see from the results table, it came first in its category in no less than five major rallies last year.

Which gives us a great deal of private satisfaction.

After all, if we wanted to come first, we could probably lay our hands on a pair of V12 Jaguar engines to put under the bonnet.

It wouldn't prove much, but it would scare the hell out of the opposition.

1976 Dolomite Sprint results		
Group One	OUTRIGHT CLASS WINNER	Mintex International Rally
Group One	OUTRIGHT CLASS WINNER	Granite City Rally
Group One	OUTRIGHT CLASS WINNER	Burmah Rally
Group One	OUTRIGHT CLASS WINNER	Manx International Rally
Group One	OUTRIGHT CLASS WINNER	Lindisfarne Rally



Dolomite. A triumph of British engineering.  **Triumph** 

From Leyland Cars. With Supercover.

Star image hides toughness

by Robert Parker

If one did not know the character of James Hunt from his apprenticeship, and from the way he won last year's championship against all expectation, then one would hardly consider him a prospect for winning again this year. At the moment, with nine of the 17 grands prix completed, Hunt is lying only in seventh position with 13 points.

But he was hardly doing any better this time last year, and indeed most commentators had written off his chances of winning. He did, however, win the French Grand Prix last year. Two weeks ago he came third. Hunt really must win this weekend's grand prix at Silverstone if he is to keep his hopes alive. Last year in the British Grand Prix at Brands Hatch he was first past the finishing line but was later disqualified.

Whatever the outcome of the championship, few would argue that James Hunt has done as much, if not more, for British motor racing than almost any other driver. He is a tremendous crowd puller and attracts continuous publicity.

There is doubtless some muttering in the clubs about the publicity that Hunt's adventures off the track also attract, and the kind of jet-setting superstar treatment he receives.

Hunt actually takes his responsibilities off the track almost as seriously as his racing on the track. On public occasions he frequently pays tribute to the importance of the McLaren team and acknowledges the duty he has to his sponsors.

Since 1974, Hunt has been living in tax exile in southern Spain, where he and his Porsche car have quite a reputation. He is said to be able to make about £1m this year as a result of his championship to add to the already considerable amounts he has made in recent years.

But it has not been easy for Hunt to reach the money-spinning position he now enjoys.

There was the spectacular accident at Oulton Park in 1968 when Hunt and car

ended up in the lake. At the end of 1969 he joined his first team, Motor Racing Enterprises, which bought an old Brabham F3. He started winning club races and appearing with some of the better-known drivers. Then came the March test in 1970-71, and the first Formula Three win at Rouen in 1970. He started at the back of the grid, but nevertheless came in first. Steady progress continued in 1971, but 1972 was a year full of problems and failures.

One of the two main turning-points came in 1973, when the young Lord Hesketh signed him up to drive for his private and unsupported team.

When the Hesketh team arrived ostentatiously at Monaco that year, complete with Rolls-Royce, yacht and helicopter, the racing world thought it a huge joke. But not only did Hunt qualify well, he was lying sixth when he had to drop out with a blow-up engine. He went on to finish eighth in the championship table, despite competing in only half the races. He came sixth in France, fourth at Silverstone, third in Holland and second in the American Grand Prix. In that race only seven tenths of a second separated him from Ronnie Peterson, the winner.

The second big piece of luck in the James Hunt story came in the autumn of 1975, as the season finished. Hesketh Racing was folding, and the future looked bleak. But at that moment Hunt was signed by McLaren. It took Mr Teddy Mayer, Mr with a blow-up engine. He went on to finish eighth in the championship table, despite competing in only half the races. He came sixth in France, fourth at Silverstone, third in Holland and second in the American Grand Prix. In that race only seven tenths of a second separated him from Ronnie Peterson, the winner.

Hunt was particularly lucky because when he was signed most of the teams had been arranged for the next season. McLaren's was no exception but then Fittipaldi pulled out, and there was a place in a fully sponsored and first-class outfit.

Last year in his first season with McLaren, Hunt won the championship after a tremendous battle with Ferrari and Niki Lauda.

His success obviously owes much to his own determination and skill. But that in itself is not enough. He also needed luck, maybe luck that he created.

Peter Waymark writes about five leading contenders for the world title

Jody Scheckter

The curly-haired South African, Jody Scheckter, is enjoying his best season as a Formula One driver. Starting 1977 with a new car, having left Ken Tyrrell for the Austro-Canadian Walter Wolf, he won first time out in Argentina, had another victory in Monaco and is joint second with Mario Andretti in the drivers' championship.

Scheckter, who is 27 and the son of an East London motor dealer, started racing in go-karts. He went on to saloon cars and in 1971 moved to Europe, rising through Formula Ford and Formula Two to a contract with McLaren. He made his Grand Prix debut in the United States in 1972 but the following season was notable more for crashes—one of which stopped the British Grand Prix at Silverstone—than championship points. But he had several successes away from Formula One, including the American Formula 5000.

Switching to Tyrrell in 1974 to replace Jackie Stewart, Scheckter won in Sweden and at Brands Hatch and finished third in the championship. The next season he dropped back to seventh but took third place again last year. His elder brother, Ian, was the 1976 South African champion and has been racing in Formula One this year with March.

Carlos Reutemann

At 35 one of the older drivers on the Grand Prix circuit, Carlos Reutemann from Argentina is a talented if temperamental performer who has yet to fulfil his true potential. But teamed with Lauda for Ferrari this year, he has been pressing hard for honours, with a win in Brazil, second place in Spain and three thirds.

The son of a cattle rancher, he had an obvious boyhood hero in his fellow Argentinian, Juan Manuel Fangio. Reutemann started racing with a Fiat saloon in 1965, rose to Formula Two and, sponsored by his Government, finished second to Ronnie Peterson in the European Formula Two championship in 1971.

The following year he was signed by the Brabham Formula One team and had pole position in his first Grand Prix in Argentina. But his first win did not come until 1974 in South Africa; victories also in Austria and the United

States helped him to sixth place in the drivers' championship. In 1975 he had only one win but raced more consistently to finish third behind Lauda and Fittipaldi. Last year, however, he gained only three championship points and mid-way through the season switched his allegiance from Brabham—where he had criticized the decision to drop the Ford engine for an Alfa-Romeo—to Ferrari.

Niki Lauda

After Niki Lauda crashed at Nurburgring last year, his fight for life won admiration beyond motor racing circles. And when, only six weeks later, he returned to the track at Monza—and finished fourth—his courage was transmitted to millions who had never seen a Grand Prix.

But for the accident, Lauda could well have been World Champion for the second year running; as it was, he pushed James Hunt the whole way and surrendered his title by only a single point. This season he is back in contention, with a fine win in South Africa and three second places, and he currently leads the drivers' championship.

Lauda, who is 28, was born in Vienna, the son of a paper mill owner, and did his first racing in a Mini. In 1971 he bought his way into Formula Two with a loan from the bank and took part in his first Grand Prix. After moderate Formula One seasons with March and BRM, he joined the Ferrari team in 1974 and after victories in Spain and Holland looked to have a good chance of the title. But he failed to finish in his last five races. The following year, however, he had five Grand Prix victories and took the championship by nearly 20 points.

He began saloon car racing in an Alfa Romeo and then rose through Ford, with impressive drives in Formula Super Vee in 1971 and victory in the European Touring Car Championship the following year in a works Capri.

Gunnar Nilsson

The 28-year-old Swede, Gunnar Nilsson, was the outstanding new driver to emerge on the Grand Prix circuit last year. He was third in Spain—only his third championship race—and in Austria and by end of the season good judges were tipping him as a future champion. This year, after a slow start, he has confirmed his promise

by winning the Belgian Grand Prix and lies fifth in the points table.

Born in Helsingborg, the son of a building contractor, Nilsson is a former submarine radio-officer who went into business as a haulier. It was through the prompting of his business partner that he entered racing in 1972 by buying a Formula Vee. A year later he was making his mark in Formula Super Vee under the Bonnier banner and he finished fourth in the European championship.

In 1974 he raced a private March in Formula Three, and the following season he was taken into the March works team. He developed into a good prospect, winning the BP Visco-Static championship, and towards the end of the season gained a series of victories in Formula Atlantic. He was clearly ready for the highest level and when Ronnie Peterson switched to March, Nilsson replaced him for 1976 in the John Player Special Lotus team.

Jochen Maas

A 30-year-old former merchant seaman from Germany, Jochen Maas is in his fifth season of Grand Prix racing and as James Hunt's colleague in the McLaren team has generally outshone the World Champion this year. But he will be anxious to add to his only championship win—in the shortened Spanish Grand Prix of 1975—and put an end to the feeling that his talent has been taking rather long to emerge.

He began saloon car racing in an Alfa Romeo and then rose through Ford, with impressive drives in Formula Super Vee in 1971 and victory in the European Touring Car Championship the following year in a works Capri.

He appeared in Formula Two and Formula Three for March and in 1973 led the Surtees team in Formula Two, taking second place in the European championship. In the same year he made his Grand Prix debut for Surtees at Silverstone but was one of several drivers involved in the first-lap crash.

Maas spent a frustrating time on the Grand Prix circuit in 1974: he was often victim of mechanical failures and did not score a point in the world championship. He left Surtees for McLaren towards the end of that season and was retained for 1975.

Champion commuter over 20 years

by John Blunsden

Of all the potential winners of the John Player British Grand Prix tomorrow, no other driver can match the versatility and experience of the naturalized American Mario Andretti, aged 37, the number one driver for John Player Team Lotus.

Andretti, who was born in a part of Italy that is now in Yugoslavia, was one of many who found himself without a home in the aftermath of the last war, and after spending seven years in a displaced person's camp the Andretti family emigrated to the United States. They settled in Nazareth, Pennsylvania, and have since developed such deep roots that the international racing driver steadfastly refuses to move his home, preferring instead to commute to whatever part of the world to which his busy racing schedule may take him.

Today, he can look back on a racing career spanning 20 years. It embraces such widely diverse branches of the sport as Modified Stocks (production cars), which he drove with considerable success around the bull-ring circuits in his adopted state, to grand prix racing which, Indianapolis notwithstanding, represents the pinnacle of achievement for an internationally oriented racing driver.

In between he has proved himself a member of the United States Automobile Club (USAC) racing (on high-speed oval circuits) by becoming National Champion in 1965, 1966 and 1969, and runner-up in the two intervening years; of NASCAR stock-car racing (he was victor in the Daytona 500 in 1967); and of sports car endurance racing, in which his many successes have included three victories in the Sebring 12-hour race, partnering Bruce McLaren, Nino Vaccarella and Jacky Ickx.

His first grand prix success came in South Africa, in 1971, when he was driving for Ferrari, but it was during the early 1970s, as he first spotted his Formula One potential and gave him his first taste of grand prix racing. Andretti first came to Chapman's notice at Indianapolis in 1965—the year of Jim Clark's memorable victory over the USAC "Establishment". On that occasion Andretti



Mario Andretti at Silverstone during tests in which he broke James Hunt's track record of 1 min 19.03 sec (set at a speed of 133.56 mph) with a time of 1 min 18.54 sec (134.39 mph).

took the Rookie of the Year award after a stirring drive and so impressed Chapman that he said that a car would be made available for him if, ever he decided to apply his talents to Formula One racing.

However, it was not until the United States Grand Prix last year, at a time when Team Lotus fortunes, too, were at a low level, that Andretti was happy to be back among the European circuits, but the team met with limited success and was eventually disbanded early last year, at a time when Team Lotus fortunes, too, were at a low level.

In retrospect it was, perhaps, inevitable that Andretti and Chapman should join forces once again and dedicate themselves to putting the team back on top again, with the World Championship their ultimate goal. The progress they have made during the past 18 months has been spectacular. A year ago, the 1976-model John Player Special was already a potential race-winner, even though the reward for the team's progress was not to be won until the Japanese Grand Prix, in October, provided the first Lotus victory for more than two years. The success in Japan, formation of a grand prix coupled with the imminence

of a new car (announced two months later), provided the springboard for the rapid progress of Team Lotus during the current season, a programme in which Andretti's contribution cannot be underestimated.

Number one driver for Lotus is not the easiest of jobs, for Colin Chapman is never satisfied with less than a 100 per cent achievement. But the two men are well matched; Andretti has the greatest respect for Chapman, but is in no sense overawed by him, knowing that he, along with other grand prix drivers, can match his boss's motor racing experience, and in consequence is entitled to his own opinions.

Mario Andretti's racecraft, driving ability and stamina are widely acknowledged, but of equal value to his team are his other attributes, which have helped to make the current John Player Special such a competitive car.

"Mario has such depth of perception of what is happening to his car", Colin Chapman says. "His great contribution is in the kind of fine tuning—a rare skill among drivers."

"In particular he has the ability to eliminate the negatives. For example, if his car is understeering somewhere it could be due to any of 10 different causes. Mario will have the perception to know why it came he due to say, seven of these, which means that immediately we can concern ourselves with just the other three."

"He is also quick to identify when a problem is not due to any car's deficiency, but to an outside cause, such as a change of wind direction or force, or perhaps a subtle change in the friction of the track surface at a certain point. All this, his unflinching and the fact that he is such a nice person to have around, makes him an outstanding number one driver."

Andretti's teammate, Gunnar Nilsson, confirms the observation. "I cannot say how lucky I feel to be part of a team led by Mario; he has been so helpful to me and has taught me so much. I shall always be grateful to him for that."

Mario Andretti, indeed, is perhaps the most widely respected of all current drivers—at 37 a father-figure still capable of teaching the young superstars a trick or two.

Engine's success speaks up for silent designer

Eight weeks ago Mr Keith Duckworth made one of his rare trips outside the United Kingdom to attend the Monaco Grand Prix. Along with his co-director, Mr Mike Costin (the other half of the Cosworth partnership) he was there to witness the 100th Grand Prix victory of his Ford DFV engine.

A few seconds after Jody Scheckter had taken the chequered flag to score his second grand prix success in the new Wolf-Ford, a Ford representative removed the covers from a huge facsimile celebration "cake" which was placed alongside the winner's rostrum. It symbolized a milestone in the history of motor racing, but in the midst of all the applause and back-slapping the architect of the occasion, on whose drawing board in Northampton the V-8 engine had taken shape more than a decade earlier, slipped quietly into the background.

It had been much the same story on June 4 1967, when the late Jim Clark had taken the Ford DFV to its first victory, mounted in two Lotus 49s entered for the Dutch Grand Prix (Graham Hill had driven the other car and had set the fastest lap time in practice with it). Mr Duckworth has always been more concerned about achievements than about the public acclaim they might earn him.

Yet this talented designer has, almost single-handed, transformed the image of grand prix racing from an activity which, because of its excessive cost and mechanical complexity, could be shared by a small number of heavily-financed teams and their fortunate drivers, to one in which today there are invariably more cars and drivers available than there are places for them on the starting grid.

Although initially the Ford DFV engine was available exclusively to Team Lotus (Mr Colin Chapman had been instrumental in bringing Ford and Cosworth Engineering together in the first place), in 1968 it was made available to other teams, at a price (£7,500) which was a tiny fraction of the cost of designing and developing their own power unit. By being so much cheaper, and so fast to develop, it demonstrated so much more competitive than any alternative power source, the engine brought a stability to Formula One racing which has enabled the existing regulations, based on a three-litre capacity limit, to remain in force for a record 12 seasons, and with the prospect of continuing for many more to come. (Previously, regulations had been changed every few years in an effort to stimulate new interest, at an enormous cost to participants.)



A spare Ford/Cosworth DFV engine keeping cool in the pits at the Circuit Paul Ricard, France.

At first, the Ford DFV produced a little over 400 bhp with a limit of 9,000 rpm, and it was expected that in the normal course of development both power and revs might be increased by 10 per cent, to keep the engine competitive for three or four seasons. But although it has been challenged by 12-cylinder rivals throughout its life, only during the past two years has there been any sustained effective opposition. This has led, this year, to the introduction of an advanced-development programme on the DFV in which three teams (Lotus, McLaren and Tyrrell) are collaborating with Cosworth by running experimental power units alongside their

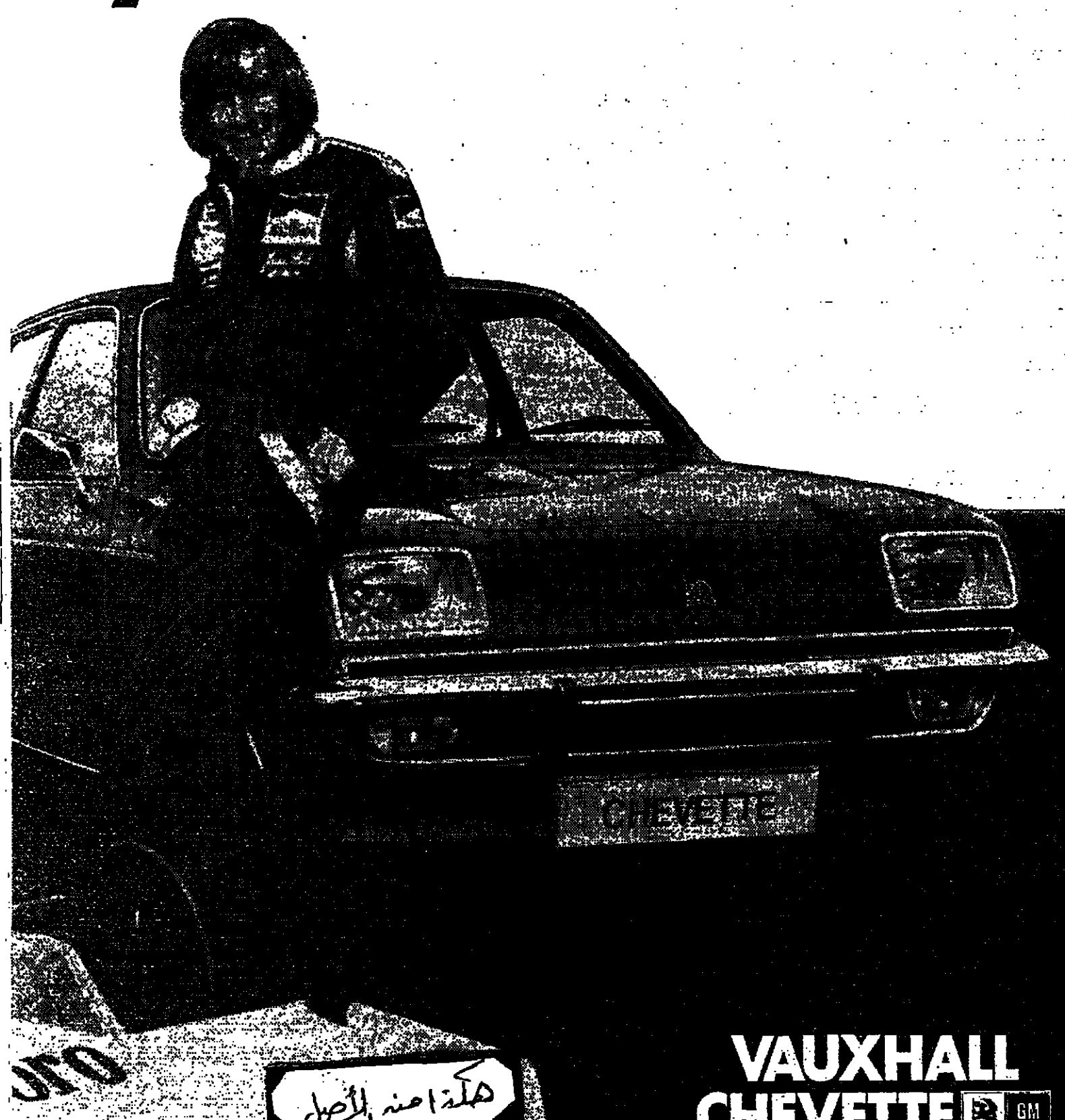
standard production versions. The latter produce approximately 470 bhp at 10,800 rpm, whereas the best Ferraris, Alfa Romeos and Murras are reputed to give in excess of 500 bhp. However, the 12-cylinder engines generally have to carry a greater weight of fuel through their inability to match the Ford's consumption which, at close to 6 mpg, is frugal by Grand Prix standards.

Approximately 275 DFV engines have been produced at Northampton to date and soon production will have passed the 300 mark. It has become such an essential ingredient of the inventory of most teams that grand prix racing as we know it today would cease to exist without it. Yet the DFV story could so easily

not have happened. That it did was because of the far-sightedness and persuasive talking of Mr Walter Hayes, now vice-chairman of Ford of Europe, in the boardroom of Ford of Britain in 1966. As director of public affairs, he was using motor sport as an important cornerstone of his public relations strategy, and the vigour and discipline with which his policy of competitions involvement had been conducted had already brought significant rewards. Nevertheless, it was a supreme act of faith which enabled him to put his reputation on the line by convincing the board of the British company that they should spend £100,000 (and the resources of the company's engineering division).

J.B.

"I like driving my Chevette to work"



THE TIMES

BUSINESS NEWS

Dilemma for the cabinet over profit margins and dividend controls

There will be no White Paper on the next year's pay policy, profit margins and dividend controls, the Government has decided. The decision was made by the Cabinet on Wednesday, after a long and difficult session. The Government is now faced with a dilemma: whether to introduce a new White Paper on pay policy, profit margins and dividend controls, or to continue with the existing arrangements. The Government is now faced with a dilemma: whether to introduce a new White Paper on pay policy, profit margins and dividend controls, or to continue with the existing arrangements.

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Day of decision for Mr Healey on size of cut in income tax

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Bread subsidy to end next week, bakers told

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Freeze on gas tariffs is ordered to redress £36.6m excess profits

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Growth in money supply accelerated last month

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TSB loans plan goes ahead after pay terms agreed

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Chloride strikers back on Monday

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Exports show marked recovery despite trade gap of £287m in June

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Germans and Swiss lower interest rates to help dollar

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How the markets moved

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THE POUND

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THE YEAR UNDER REVIEW WAS A DIFFICULT ONE, BUT DUE TO AN UPSURGE IN TRADE DURING THE THIRD QUARTER OF THE YEAR, MORE SATISFACTORY FIGURES WERE PRODUCED

The following are salient points from the Chairman's Statement to Shareholders: Group profits for the year ending 31st March 1977, amounted to £509,100 (£326,965), taxation takes £276,188 (£163,888), leaving a net profit of £232,912 (£163,077).

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WALL STREET

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Professor Giuseppe Medici: a breathing space for Montedison.

Ex-Minister to head Montedison

From John Earle

Rome, July 14

Professor Giuseppe Medici, 70-year-old former Christian Democrat Minister, was today appointed chairman of Montedison, the ailing chemicals and fibres group, Italy's second largest private company.

He succeeds Signor Eugenio Cefis, who moved there six years ago from heading ENI, the state hydrocarbons agency, with a mandate to restore Montedison to profitability. It was a task which, despite extensive reorganization, he failed to accomplish.

Group losses last year amounted to 172,000m lire (£115m) and further losses are reported to have accumulated this year. One of Signor Cefis's last efforts to retrieve the situation was to sell last month Montedison's Milan-based bank, Banco Lariano, to Istituto San Paolo di Torino.

Signor Cefis announced his intention to resign at the annual meeting in April. But delayed putting it into effect pending protracted discussions involving the major private shareholders and the government. The state has an important holding through ENI and IRI.

Professor Medici's appointment is looked upon in business circles as a stopgap arrangement. After a distinguished career in agricultural reform and reclamation, he served 12 times as a Minister in government between 1954 and 1972.

He lacks experience in managing a major industrial group, but his chairmanship should provide a breathing space in which discussions can continue between industrialists and the political parties on the company's structure.

The Communists and Socialists, whose support is vital for the survival of the Andreotti Government, want the public sector shareholdings to be put under a specially created public agency which would exercise a strong influence on company strategy.

This is opposed by most Christian Democrats.

Brussels optimistic about British economy but sounds pay warning

From Michael Hornsby

Brussels, July 14

A growth rate of 3 per cent in gross domestic product between 1977 and 1978, a marked fall in the inflation rate over the same period, and a current account surplus of more than £1,000m next year are the main elements in a fairly rosy picture of the British economy painted by the European Commission.

These forecasts are contained in a document, setting out recommended guidelines for EEC economic policy during the rest of this year and for the preparation of member states' budgets for 1978. The document will be discussed by finance ministers of the Nine next week in Brussels.

The Commission's optimism about the British economy, which is coupled with forecasts of a slowing of expansion in traditionally stronger countries, notably West Germany, is, however, considerably more qualified than some advance reports have suggested.

For example, the commission gives a warning that inflation could rise to double figures at the end of 1978 if the Government is unable to meet its target of holding the average

rise in wages to 10 per cent during the 12 months from July 31.

Unofficial estimates here reckon that earnings are likely to rise by at least 15 per cent on average.

If this forecast is accurate the Commission believes there will be only a temporary acceleration in demand and that by the end of next year economic growth will have weakened and inflation will be gathering pace again.

The combined effect of an initial slowdown in prices and acceleration in earnings could be a strong revival of private consumption, with total gross fixed asset formation showing a rather lower rate of increase, the Commission contends.

Strong growth in private sector fixed asset formation (especially in the manufacturing industry), the Commission thinks, will be partly offset by a further substantial decline in public sector investment. Little change is seen in public authorities' current consumption.

Sounding a more optimistic note, the Commission estimates that British GDP should increase by 3 per cent provided wages are held down. As much as 1 per cent of this growth would be accounted for by increased production of North

Sea oil.

On the external side, the Commission says that "there should be a continued and rapid expansion in net exports, because of the contribution of North Sea oil, pointing to a current account surplus of more than £1,000m in 1978".

The public sector borrowing requirement for 1978-79 should remain within the figure indicated in the Chancellor's letter of intent to the International Monetary Fund without increasing tax pressure significantly, the Commission believes. However, domestic credit expansion could be close to its permitted ceiling.

The four main problems facing Britain in drawing up budgetary policy for 1978-79 are summarized by the Commission as follows:

After reaching a low point in the second half of 1978, the rate of inflation may begin to rise once more; the rate of economic growth may not be sufficient to avoid a fall in capacity utilization and a further rise in unemployment; the balance of demand between consumption and investment may deteriorate; there could be pressure to use the room for manoeuvre created by the expected balance of payments surplus to stimulate private consumption.

Post Office services all show profit

By Malcolm Brown

All Post Office services are earning a profit for the first time since the corporation was set up in 1969, Sir William Ryland, its chairman, said in London yesterday.

Sir William, addressing the Institute of Practitioners in Advertising, said he expected an outburst of criticism when the year's final figures were published at the end of the month. Critics would claim that the corporation was making too much money at a time when prices were rising and services being cut.

"I shall be criticised in a few weeks' time because we have made a profit just as we have long ago I was criticized for not making a profit," said Sir William.

Estimates of the final profit figure have ranged in recent months between £350m and £400m.

Sir William, who retired on October 31, said the postal service was one of the few well-developed countries in the world.

Adding that he was not planning any major increases in the cost of letters and parcels, Sir William said: "I would aim to keep the cost of stamps the same for as long as we possibly can."

£1.5m aid for mineral projects

Government assistance amounting to more than £1.5m has been approved by the Department of Industry over the past five years to help companies engaged in mineral exploration projects in Britain.

The money was made available under the terms of the Mineral Exploration and Investment Grants Act, 1972, and in the annual report, published yesterday, it was stated that 38 companies involved in mineral exploration in 158 areas applied for assistance totalling £1.7m.

Under the Act the Government can grant assistance towards exploring for mineral deposits in Britain.

Dr Kenneth Miller, managing director of APV Holdings, has been appointed chairman of the steering committee for the Manufacturing Advisory Service, the Department of Industry's newly-formed organization, which aims to assist small and medium-sized companies.

Dr Miller, who is 51, heads a committee of 14 members drawn from industrial, academic and trade union circles whose

Steel output remains depressed

By Our Industrial Correspondent

Prospects for Britain's steel industry remain bleak with production showing no improvement on the previous month and demand for most products still weak.

The industry is now in its fourth year of recession and the scale of the crisis has led to action by the European Economic Community to prevent major failures of companies and widespread redundancies.

Next week the British Steel Corporation will reveal a loss for last year of about £100m and in the present year the corporation's losses are running at more than £3m a week.

Last month output by the BSC and the private sector steelmakers showed a small change from the May figure at 389,500 tonnes a week, representing a 10 per cent fall on production in June last year.

BSC's Port Talbot works restarted in the second week of June after a 10-week unofficial strike which brought production to a halt. By the end of the month, however, production had returned to normal at about 50,000 tonnes a week.

Holidays taken at both BSC and private sector works in the first half of the month cut output, affecting mainly works in the Midlands and Sheffield areas.

In the first half of this year United Kingdom steel production was 1.9 million tonnes, a drop of 8 per cent on the corresponding period last year.

Demand for most products remained weak and the BSC and the British Independent Steel Manufacturers' Association's joint statement said there was no immediate prospect of a substantial recovery.

However, steelmakers believe there will be a building up of stocks among consuming industries in the second half of this year as companies replenish stocks which have run down from record levels over the past three to four months.

EEC to curb synthetic fibres aid

From Our Own Correspondent

Brussels, July 14

In a further move aimed at buttressing the EEC's ailing textile industry, the European Commission today proposed a two-year ban on the Community on all state financial aid for the creation of new synthetic fibre capacity. The Commission will also closely monitor the performance of individual companies.

Much new synthetic fibre capacity, either already installed or in the course of installation in the Community, has benefited from state-aided investment policies which date from a much more favourable period in the early 1970s, the Commission points out.

In the last two years capacity utilization has not exceeded 68 per cent, which is well below normal levels. Yet output continues to exceed demand and market prices are 15 per cent below 1974 levels, according to the Commission.

This trend has occurred against a background of soaring costs of raw material, energy, labour and processing. Yet losses of synthetic fibres producers are put at £1,000m (about £570m) in 1975 and \$600m in 1976.

On the industry's own forecasts, the Commission says no improvement in the capacity utilization of synthetic fibres over the coming years, and it is therefore reasonable to assume that the over-capacity is of a structural nature which term changes in demand.

Investment subsidies have powerfully contributed to the expansion of synthetic fibres industry, the Commission considers, and banning them is the only way to restrain further growth of economically non-viable manufacturing capacity.

According to the Commission's figures, the EEC had a deficit in its textile trade with the rest of the world equal to 13 to 14 per cent of consumption last year.

Peter Hill writes: ICI confirmed last night that it planned to close down its fibre plant at Offenbach, near Karlsruhe, West Germany, at the end of this year.

The plant manufactures nylon and polyester fibre, and the closures resulted from the disastrous situation in the fibres industry which was endangering ICI's operations in Germany.

Earlier this year the company said it would transfer nylon production from Offenbach to Oestringen. The plant employs 750 workers.

Burmah to seek oil in Adriatic

From Our Own Correspondent

Rome, July 14

Burmah Oil, which suspended international offshore oil exploration initiatives after running into financial difficulties in 1974, has returned to the scene in Italy with the award of a permit in the Adriatic.

Earlier this week it was made known that Burmah was also heading a consortium to explore for oil off the Seychelles in the Indian Ocean.

Burmah applied to the Italian Ministry of Industry for the Adriatic permit last November. It covers 6,950 hectares adjacent to the coast south-east of Ancona in the mid-Adriatic. The permit carries the obligation that drilling must start within 24 months.

LETTERS TO THE EDITOR

Why both the UK and US 'won' in civil air deal

From Sir James Durnett

Sir, In the letters you have published recently about the draft UK-US Civil Aviation Air Services Agreement there have been adverse comments about the outcome so far as the United Kingdom is concerned, and by implication, criticisms of the way the negotiations were handled on the British side. I do not believe that these criticisms are justified, and as a member of the United Kingdom team at Bermuda in 1946, it may be appropriate if I comment on a few points of special significance.

(a) It is argued that the United Kingdom was unwise to denounce the original Bermuda agreement. Sir William Hildred has likened the United Kingdom action to a pomegranate taking on an alienist. I do not agree with this view. Both parties held very strong views on some of the basic issues involved, notably on capacity control and denunciations were necessary if there were to be meaningful negotiations. On

indeed, the concessions the Americans have made are substantial. In a letter to *Flight International*, published on July 9, Sir William said about capacity control: "When jumbos came and the fuel crisis and the recession diminished tourism, there came the obnoxious of empty seats flying back and forth across the Atlantic. The promised control is the most valuable section in the forthcoming treaty. The key stone of the whole structure." I agree very much with the passage just quoted.

(b) It might be thought that the United Kingdom was the first country to denounce a civil aviation agreement with the United States. This is not so. Both the French and Italian governments did so some years ago.

(c) Sir Peter Massfield argues that the new agreement gives away substantial rights to points beyond the United Kingdom, together with continued authority for airlines to make a change of gauge.

This is high. I think a fair comment on what the United Kingdom negotiators have achieved. Following the five-year phase-out period the only United States fifth freedom passenger rights from London (apart from the round the world service on the Pacific) will be to four points in Germany while the only United States fifth freedom passenger rights from Hong Kong will be to Japan, Bangkok and Singapore. Moreover, all the fifth freedom rights in the Pacific will be subject to specific fre-

quency limitations. The chairman of Pan American Airways said recently that the new pact "transfers" net economic benefit from the United States flag service to the British flag. This was the purpose of the British denunciation of the old agreement. The new "combination rights" are a pale shadow of the fifth freedom rights now withdrawn.

(d) None of your correspondents refers to the much improved rights across the Pacific which have been secured for Cathay Pacific, the important and rapidly growing airline based in Hong Kong for which the United Kingdom negotiators were also responsible.

(e) At the end of the day any agreement must be judged as a whole. As a director of British Caledonian Airways (although this is not apparent from his letter), Sir Peter Massfield is naturally closely concerned with the north Atlantic routes. The position here is complex, and I gather that there was much hard bargaining up to the end of the negotiations. The United States, in view of the size of their country and the weight of their aircraft, has insisted on having more gateways than the other side. The United Kingdom has achieved parity on 14 gateways in the United States—better than any other country has so far achieved. The additional United States point does not start for three years and has to be agreed with the United Kingdom. The British will then have the same rights as the Americans on 14 passenger routes, while it will also have a monopoly on Manchester and the Americas one on some United States point to be agreed with the United Kingdom. This is not, in my view, a disturbing retreat from the principle of reciprocity and equal opportunity for the carriers of the two nations.

Much more could be said. For my part I believe that the outcome well justifies the rough line taken by the United Kingdom government and the British negotiators. The United States ambassador Alan Boyd has recently said publicly: "This is not a win or lose proposition. I think we both won, and the public has won. And that is the way agreements between sovereign nations should work out." These are remarks that I for one would fully endorse.

Yours faithfully,
J. DURNETT,
2 Warwick Square,
London SW1V 2AA.
July 12.

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Yours faithfully,
J. DURNETT,
2 Warwick Square,
London SW1V 2AA.
July 12.

Unwelcome bid expenses

From Mr A. Newton Husbands

Sir, In your issue of July 5 commenting on the results of the Whitecross Company, mention is made of the fact that the company incurred expenses of £25,000 in resisting a takeover bid from Hanson Trust.

In one of the Sunday papers I learnt that Century Oils had incurred expenses amounting to £25,000 in resisting a takeover bid from British Petroleum. I also remember that in 1970 it cost Tomin Distillers Company £10,000 in resisting a takeover bid from the Distillers Company Limited.

These are only three instances, but doubtless there

are many more, and surely the time has come when a company which makes a takeover bid for another company which is unsuccessful should pay the expenses incurred by the bid-for company because if the company concerned is successful in resisting, independently, it is obvious that the shareholders do not want their company taken over by another company, so why should they have to incur the expenses of this unwelcome bid?

Yours faithfully,
A. NEWTON HUSBANDS,
The Chase,
Mickleover,
Derbyshire.

State pay

From Mr F. S. Law

Sir, I was delighted to read Sir Frank MacFadden's comments (July 8) on the treatment that is meted out to chairmen and full-time executive directors in nationalized industries. It is astonishing that people of high calibre continue to serve on these boards, when undoubtedly they could very easily find much better paid jobs in the private sector.

I am convinced that the staff in the public sector companies would not feel any resentment at all, if their top management's pay packet was considerably increased. It is, after all, in their interest to make sure that the managers who lead them are of the best calibre, and I hope that government will shortly take appropriate steps to put this matter right.

Yours faithfully,
F. S. LAW,
61 Cadogan Square,
London SW1.
July 8.

Moderating price increases

From Mr Michael Young

Sir, The director-general of the Food Manufacturers' Federation says this council's survey shows that one wife in four received no increase in housekeeping allowances in the year in support of his argument that rather than tough measures being taken to hold down prices, trade unions should urge their members to give their wives a fair share of high wages.

We are all in favour of husbands passing on some of the wage increases to their wives. We are in favour, too, of policy of wage restraint. Mr Cofin must know, alone is not the answer. In a year ended April, 1977, wages rose, on average, by 11 per cent. Prices rose by 17 per cent.

It is precisely because of this steadily rising prices, which have outstripped wage increases that some of the most powerful trade unions are now again further wage restraint.

We all know what the result of a repeated explosion of wage demands would be, namely, which in turn would lead to higher wage demands. And it would go on.

If employers, and Government, are to get the unions support for a policy of moderate wage demands, they must show that they are prepared to guarantee that inflation is kept down by moderating price increases.

I should have thought it was in the Food Manufacturers' Federation's own interests to support such a policy. After all, the latest *National Food Survey* shows that housewives have reacted to rising prices by cutting back on their spending on food.

Yours,
MICHAEL YOUNG,
Chairman, Consumer Council,
18 Queen Anne's Gate,
London, SW1H 9AA.
July 12.

Public spending

From Mr Geoffrey Law

Sir, Mr Richard Drain in his letter of July 11, like other trade unionists, shows symptoms of delusion. He seems to believe that his members have some "divine right" to an ever increasing slice of the taxpayers' and ratepayers' money. This is not so. Indeed, many people, apparently several of the present Cabinet, believe that taxpayers in their role as voters are tending to vote against the "social wage" and in favour of spending more of their own incomes themselves. This choice, whose economic merits must be assumed to have been weighed by the voters, is properly reflected in the Whitehall plans to which Mr Drain objects.

The consequences may well be painful for some Nalco members, and no sensible person will fail to sympathize. But the right of voters to make this choice is unquestionable as is Mr Drain's right to campaign against it. To denounce it as "unacceptable" seems to me unwise, and indeed must call in question Mr Drain's support for the democratic process.

Yours faithfully,
RICHARD LAW,
65 Cornhill,
London EC3V 3PF.
July 12.

PICCADILLY THEATRE LTD.

Statement of the Chairman, Sir Donald Albery, to the Shareholders

At last year's Annual General Meeting I told you that I could not promise you anything particularly interesting for the current year, and this has indeed proved to be the case as the net profit after tax of £16,313 is again a very poor return on the capital invested. However, I want to say that in general terms I thought the outlook for the future might well be beginning to brighten, and although trading conditions continued to deteriorate even further into the early months of the current year, not helped by the effects of bombing attacks, we are now producing very much improved results and the outlook for the rest of the year, barring unforeseen circumstances, should result in considerably improved profits for the year as a whole.

The main problem for the independent theatre is political actions by the Government, one being their inexcusable failure to remove VAT from the live performing arts, so that Shakespeare, Shaw and Stoppard, as well as the other great British writers, are subject to VAT whilst soft and hard-core literature is VAT free, quite contrary to what happens in countries like France where this kind of literature is subject to VAT at the normal rate of 33%.

The other matter of vital importance to the commercial theatre is that the tendency, fortunately less prevalent at the moment, of the subsidised theatre not to raise their price of admission in line with inflation is quite clearly a most unfair form of competition.

G.T. JAPAN INVESTMENT TRUST LIMITED

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- Rwanda
- Senegal
- Singapore
- Spain
- Switzerland
- Togo
- Tunisia
- USSR
- USA
- Upper Volta
- Venezuela

Philip Nind

BY THE FINANCIAL EDITOR

While waiting for Mr Healey...

Work and learning—a partnership for life

'It is clear that a strong case can be made out for a universal system of continuing education in which employment, educational opportunity and personal satisfaction are matched on a lifelong basis'

Fifteen years ago a small group of industrialists was asked by the Federation of British Industries to investigate the management education and training needs of industry. In its report it expressed the opinion that many of industry's management problems lay deeply rooted in the structure and content of our education system.

From another point of view, a similar mission today might well find that in terms of educational efficiency, cost effectiveness, individual contentment and employment satisfaction we are still indulging in a deplorable waste of resources. The management education system is still largely a product of the 19th century, and its diversifications which will have to make the running for the time being.

The sharp improvement in paper and packaging mirrors the recovery in BAT's subsidiary, Wiggins Teape, Imps division improved profits from £3.3m to £8.3m on a 39 per cent rise in sales with paper still working to less than capacity, while food manufacturing costs have been running behind inflation allowing a 23 per cent sales improvement to create a similar increase in trading profits.



Mr J. D. Pile, chairman, Imperial Group.

But an 8.1 per cent rise in brewery profits, which at £14.1m were £2.5m below the food division's contribution, compares poorly with Allied Breweries 37 per cent improvement during a similar period.

The second-half last year was affected by a strike at Courage, so there should be a corresponding improvement helping to push group profits for the year to the promised 'somewhat higher' figure than 1976.

But with strong performances currently only coming from two of the four divisions representing less than a third of operating profits, there can be little enthusiasm for the shares at 70p, though there is a useful yield prop of 12.3 per cent.

their, probably immediate, post-school education is determined along clearly defined and well proven lines. But for the majority the future beyond school is uncertain and uncharted. For them, should not decisions concerning their education be deferred?

So many of them, in their immaturity, are going to universities and polytechnics to read subjects which on longer reflection they would probably not have selected, and because the number of graduates has increased faster than the number of graduate jobs, they graduate with hopes high, but only to find that they can be fitted into no field of employment which matches their hopes.

Would not students gain more from their higher education if, marvelling and more motivated, they hoped on to the educational wagon at moments and at the speed of their own choice in contrast to Sir Kenneth Berill once put it, with some young people who 'ride along on the escalator of continued education with very little vision of the relevance of what they are doing to their future working life'.

But, of course, to meet these needs of young people the institutions of post-school education must assume greater flexibility—in directions which a few years ago would have been unthinkable.

study, is to become effective a wide variety of programmes within and between universities and polytechnics must be made available in a flexible system of credit recognition.

In addition, courses traditionally associated with university extra-mural departments must surely be accepted into the mainstream of academic writing and programming. Such developments would, of course, have to be reflected in the kind of advice given to school-leavers.

But the attitude of employers would be crucial. Much has been said and written, often misguidedly, about industry in particular—the use to which it puts young people, its hair-shirt relationship with schools and universities, its alleged unfeelingness towards the changing codes and aspirations of society.

But through its understanding of British industry schemes and in many other ways over the years the Confederation of British Industry and individual industrial companies have devoted substantial resources to the task of bringing industry and young people into a closer understanding of this vital wealth-producing sector of our society in which a high proportion of our citizens spend their working lives and upon which the standards of our education system and social services depend for their financial provision.

It is futile to try to lay past blame, but it seems to be true that a too high proportion of the able graduates have tended to seek careers in public service or the professions, and industrial companies have found that many of those who do apply for employment are almost unemployable by reason of their lack of motivation or of misdirected educational programmes.

At all events it is clear that a strong case can be made out for a universal system of continuing education in which employment, educational opportunity and personal satisfaction are matched on a lifelong basis.

Such a development, if based upon the present system of day release or sandwich programmes, would place a crippling burden upon industry and clearly one of the fundamental criteria for the success of a national system of continuing education is an enthusiastic acceptance of it by industry. This is where the part which government can play becomes of prime importance.

As we move into the industrial era, into the age of mass higher education and of the rising expectations of a pluralist society, new methods of allocating and using our limited financial resources are essential. We must be imaginative and educational aspirations encouraged on a more individual basis than hitherto.

education have been creeping into the system—through traditional adult education programmes, through the Open University, through post-experience courses at business schools and management centres, through activities generated by the industrial training boards and the Training Services Agency, and through many other doors.

But it has all been happening in a haphazard way, and with the compelling need for the economic use of scarce resources, it is essential that there should now be some form of co-ordination which will recognise adult, recurrent or continuing education as something much more than a peripheral field of post-school educational endeavour.

Surely this is the moment for the Government to appoint a strong commission or committee to review and make recommendations for future post-school education in the light of the various issues raised in this article? There is, in this field after the phenomenal growth of the last 15 years, a new review need not pull up roots; rather will it help to focus attention upon and elucidate many of the problems inherent in an integrated system of lifelong education—financial as well as strictly educational, industrial as well as social. Furthermore, it will concentrate minds in a way that the national advisory council now being set up by the Government to deal with adult education cannot possibly achieve.

We must remember that the decisions taken during the next few years will radically fashion the form of post-industrial Britain. A radical inquiry seeking out the questions and trying to find answers to them is not too much to ask at this time.

The author is Director, Foundation for Management Education.

Computer-controlled Z-cars



Incoming emergency calls are typed on to a video terminal linked to a mini-computer at New Scotland Yard. The screen on the left displays a map showing where the caller is.

Four years ago bomb explosions at the Bailey and in Whitehall caused the London police to realize just how bad were their 'command and control' procedures for keeping in radio touch with police and police vehicles—when faced with unprecedented emergencies. There was confusion both on the streets and on the radio channels.

Since then, the demands on the emergency services (fire and ambulance as well as police) have continued to grow. But now a small number of computer-assisted command and control systems have been introduced.

Sirrah City police were pioneers in the country with a system based on Ferranti minicomputers. Strathclyde police followed with an improved version claimed to be one of the best of its type in the world. Leasco Software is developing a second-generation system for West Midlands police, drawing on the original Birmingham experience for the much larger area; and other county systems are also being implemented.

In London, an experimental minicomputer-based police command and control system has been in use at New Scotland Yard for the past four months. As part of a system which cuts paperwork and speeds up the processing of '999' and other emergency telephone calls, the normal computer-linked visual display terminals are supplemented by a map display which shows the area of the emergency.

The system, designed and implemented for the Metropolitan Police by International Acorn, at present covers a four square mile area. Later, the force intends to introduce a comprehensive version covering the whole of London.

The approach has normally been simply to use the speed of the computer in information handling to improve an existing command and control system. In the more recent systems there is also provision for connection to other computer systems handling other tasks.

A much more ambitious approach is now being adopted by the city of Winnipeg, Manitoba, where, on the recommendation of a British consultancy, an integrated communications system is being designed to meet the needs of the police, fire and ambulance services. Though there are special local factors which make such an approach particularly appropriate in Winnipeg, the scheme will have clear lessons for the United Kingdom.

After a reorganization which brought a much larger area within the control of the Winnipeg authorities, the city's fire, police and ambulance services have been combined into a single communications system. This is being designed to meet the needs of the police, fire and ambulance services. Though there are special local factors which make such an approach particularly appropriate in Winnipeg, the scheme will have clear lessons for the United Kingdom.

Without stretching to the limits of new technology, indeed, with a conservative emphasis on using only proven equipment—significant benefits could be achieved. Software development costs could be shared, for example, and duplication of data files (such as a city street index) could be avoided.

Many of the needs of the three services are clearly very similar, but not identical. Computer-aided dispatch will be shared, for example, and the response time to a call will be reduced. A computer-aided dispatch system would be integrated with radio, telephone and alarm communications for all three services.

For the individual users—police, fire or ambulance—their communications would be self-contained as before, with separate channels. But a common channel would be added for use by senior staff of all three services when major emergencies arose.

Winnipeg provided a rare opportunity for this. All three services were seeking new equipment and the police and fire departments were already together in the city's new Public Safety Building. Common communications systems would give both operational benefits and cost savings.

The main operational benefit would be in command and control, otherwise known as computer-aided dispatch, where the key aim was to reduce the response time to a call. This is achieved by a computer-aided dispatch system which would be integrated with radio, telephone and alarm communications for all three services.

For the individual users—police, fire or ambulance—their communications would be self-contained as before, with separate channels. But a common channel would be added for use by senior staff of all three services when major emergencies arose.

Kenneth Owen
Technology
Correspondent

Business Diary: Reynolds redistributes • Change at AIB

Michael Reynolds, one of the best-known (and at £20,000 a year, the best-paid) of the food industry's executives, is resigning as managing director of Spar, the voluntary grocery store group.



Michael Reynolds

Reynolds, who was 13 years for Spar, began to develop the Spar concept after the death of a friend, David Linnell, with whom he had founded the food store chain. Reynolds, who did not see the Spar concept as a business, was keen to leave the Spar group.

The Spar group, which has 100 stores in the UK, is a voluntary grocery store group. Reynolds, who was 13 years for Spar, began to develop the Spar concept after the death of a friend, David Linnell, with whom he had founded the food store chain. Reynolds, who did not see the Spar concept as a business, was keen to leave the Spar group.

Kingham, chairman of the London and Southern Home Counties regional association of the AIB, told Business Diary yesterday that he would be asking UIC founders, Bill Paxon and Derek Young to clarify its aims.

The Falkland Islanders, who suspect that they are about to become Argentinian citizens by court order of Her Majesty's Government, evidently draw a distinction between loyalty to the Queen and to the Foreign Office. They have in the day they have the Royal Mint strike a public crown, available early next year.

In the red corner are a group of innovative British drug companies, such as Glaxo and ICI, and in the green, the rest of industry, interested in patents but not in drugs.

The BII was introduced earlier this year in order, among other things, to increase the life of patents from 16 to 20 years. Our story concerns what to do with products, particularly drugs, whose patent is nearly up.

Robin Gillett, is to find out in Sheffield tonight. He is to be presented with a set of this useful implement as the guest of honour of the Master Cutler, David Lee, at the cutlers' annual Feast.

Lee has been distributing these 'spoons' (sharp-edged forks) in gold for the eating of nickles and hors d'oeuvres to guests in his year of office. He has been made from a stainless steel strip developed by the family company, Arthur Lee & Sons, of which he is a director.

Both say that the group's share of grocery trade, which has held steady at about 4.2 per cent, has never been higher, despite stiff competition and against sinking overall grocery sales.

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Plea for justice from DoT by Norwest

Norwest Holst, the multi-million pound civil engineering company, was entitled to receive natural justice from the Department of Trade when it was considering whether to investigate the company's affairs, said a QC in the High Court yesterday.

Mr Stanley Brodie, QC, for Norwest Holst, submitted that the department should not have refused to disclose to the company the reasons for its decision to set up the investigation, and the evidence on which it acted, and should have listened to the company's representations on the matter.

The language of the 1948 Companies Act, under which the Secretary of State for Trade had acted, was not appropriate to exclude the normal rule requiring both parties to a dispute to be fairly heard, counsel said.

The company contends that the Trade Secretary's appointment of two inspectors, Mr Lewis Davies, QC, and Mr Thomas Harding, QC, to conduct the inquiry was invalid, and claims an injunction to stop the inspectors exercising their investigative powers.

Mr Brodie told Mr Justice Foster that the decision to set up an inquiry adversely affected a company's business and impinged upon its rights. Its right to autonomy was seriously interfered with by the appointment of the inspectors, its rights of property and reputation were damaged, and its right to carry on business without let or hindrance was plainly affected.

All this had to be borne in mind when considering in what circumstances the Minister should exercise his powers to set up an inquiry into a company's affairs, Mr Brodie said.

The Trade Secretary had to decide whether the circumstances suggested that the persons concerned with the management of the company were guilty of fraud, misfeasance or other misconduct.

That, submitted Mr Brodie, involved a determination upon evidence. The hearing was adjourned until today.

BSC and Davy in package for Venezuela steelworks complex

By Peter Hill
Industrial Correspondent

Britain's heavy engineering industry is poised to secure valuable export business for supplying equipment to a £600m steelworks complex being built in Venezuela.

The British Steel Corporation yesterday signed an agreement to provide engineering, technical, and operating services for the new plant through its overseas services subsidiary.

The immediate value of the deal to BSC is about £12m, pushing the total value of business in the overseas service company's order book to between £50m and £60m. More contracts are expected to be announced in the next few weeks.

But prospects for British companies picking up a substantial slice of the equipment orders for the new plant, to be built in the state of Zulia on the western coast of Lake Maracaibo, are good.

The negotiations began last

year, and the BSC is hopeful that it will be able to demonstrate the desirability of providing a complete British package similar to deals which it has negotiated elsewhere in Latin America—namely Mexico—under which a British company will be responsible for the procurement of equipment for the steelworks.

Davy International and its merchant bankers, Morgan Grenfell, have been involved in preliminary negotiations and both concerns have a wide experience of similar steelworks packages for developing countries.

Detailed specifications for the plant are expected to be prepared by early next year and tenders will be sought about mid-year.

The new steelworks complex forms part of an industrial development plan for the Zulia region which is being undertaken by Corpoculia, an autonomous institution which is responsible for development in the

state. Great importance has been attached to the scheme by President Perez, the Venezuelan head of state.

The first phase of the steelworks development is due to be completed in 1982, and will have an annual capacity of 1.2 million tonnes a year. The plant will produce steel bars, wire rod and sections.

About 30 specialists from the BSC, some of whom are at present working as advisers on the Caracas steel complex in Mexico, will shortly begin work in Venezuela.

By the early part of the next decade the Venezuelan steel industry will have an annual production capacity of about 6 million tonnes.

The deal with Venezuela—in which the Prime Minister has taken a considerable interest—provides a considerable fillip for the BSC, which is faced with heavy losses on its own steel-making operations as a result of the continued international steel recession.

MONEY SUPPLY

The following are the figures released for the monthly amount of the money stock, seasonally adjusted at the mid-month date. M3 is now taken as "sterling M3".

	M1 £300m	M2 £500m	M3 £1m	Percentage change over 3 months at annual rate
1976				
May	17.3	37.4	8.5	9.9
June	17.3	37.8	7.0	12.2
July	17.9	38.4	12.3	13.2
August	18.0	38.9	19.3	16.9
Sept	18.5	39.6	11.4	20.2
Oct	18.2	40.0	6.9	18.1
Nov	18.3	40.5	6.6	17.0
Dec	18.7	40.4	3.9	8.8
1977				
Jan	18.3	39.7	3.1	-3.4
Feb	18.5	39.3	3.5	-11.6
March	18.5	39.3	-3.8	-10.1
April	19.2	40.2	19.7	6.2
May	19.2	40.5	17.0	13.1
June	19.6	40.9	26.0	18.7

Monthly change in sterling M3 and domestic credit expansion

	External £100m	Domestic £100m	Domestic credit £100m	Percentage change over 3 months at annual rate
May	-236	-73	-211	-37.4
June	-339	-155	-243	-78.7
CUMULATIVE TOTAL				
May	-635	9.8	-1,171	7,026

Growth limits 1977/78.
Sterling M3: 8-15%.
DCE: £1,100m.

UK TRADE

The following are the June trade figures seasonally adjusted and corrected on a balance of payments basis with allowance for known recording errors.

	Exports £m	Imports £m	Balance £m
1976			
1977			
Q1	25,294	28,836	-3,592
Q2	7,415	8,383	-968
Q2 p	8,025	8,892	-867
1976			
June	2,073	2,335	-325
July	1,959	2,474	-515
August	2,078	2,354	-276
Sept	2,220	2,381	-161
Oct	2,365	2,624	-259
Nov	2,320	2,775	-455
Dec	2,448	2,652	-204
1977			
Jan	2,479	3,017	-538
Feb	2,437	2,825	-388
March	2,499	2,741	-242
April	2,635	2,784	-149
May	2,609	2,980	-371
June p	2,781	3,063	-282

Revised p Provisional.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Prices again firm after being unsettled on White Paper

The sudden decision to scrap the White Paper on pay and the economy unsettled the market's earlier firm trend. Prices began to revive towards the end of the session, after defensive marking down, however, as dealers considered the call for a vote of confidence on the specific economic debate in the House of Commons next week.

Gifted securities turned initial rises of between 1 and 2 into similar falls but leading equities had begun a quiet recovery before formal trading was concluded.

ICI mirrored the overall equity trend. Up earlier in the day, the shares slipped back to 38p before closing at 39p for a net loss of 3p. A broker's review of the glass ahead by 3p to 35p but both Metal Box and GKN dropped 2p to 31p and 33p respectively. Lincas

and although Scottish and Universal Investments had warned of a dip in profits, the shares slipped 4p to 89p to clip some of the week's advance engendered by Lomho bid hopes. Lomho watchers are not expecting very much action here for another few months.

The oil patch saw mixed trading. BP is still unsettled by events in Alaska, this time by the threat of higher oil taxes and the shares fell back by a further 4p to 910p. The partly paid also dropped 9p to 364p.

Oil Exploration saw another 1p rise to 212p and London & Scottish Marine Oil were again a strong feature contributing 395 of a total 5,157 marks. The Producer Group also moved up at 330p, for a gain of 5p, while the new ordinary shares advanced 2p to 171p.

The property pitch was mostly dull but two counters stood out. Beaumont advanced 3p to 64p and Tannemans added 4p to 254p in selective buying.

Dolan Packaging, the subject of a bid battle involving two overseas suitors came back from the 164p suspension to show a 17p rise to 181p. Colson Group also moved up to 5p to 87p. The dividend boosting rights issue from Benjamin Priest was good for a 6p climb to 68p.

Alfred Colloids were also wanted at 228p, increased by 3p, after better than doubled profits but lower than expected figures clipped United Gas Industries back by 3p to 481p. G. Dew, however, recouped

earlier losses to close unchanged at 104p after results.

Speculative situations in their usual impact. L. Gard and Tunnel Holdings were subject of strong rumours, were M. K. Electric, at 18 and Hall Engineering at 85p.

The market for foreign options finally spluttered to halt and no calls, puts

The company denies it. Dealers are convinced it is a genuine offer. Thomas W. Ward has approached for its 29.9p voting stake in Tunnel Holdings. Ward shares climbed 4p to 47p. Tunnel jump 8p to 190p. If the market got it right, and all the rumours are true, the company should have further to go. Ward is still sitting on a substantial paper loss at current levels.

doubles were recorded. In the three month options, conditions were also quiet, and no puts were recorded. Calls, however, were produced in several stock including Tunnel Holdings, O Exploration, Siebens and Cok Haven and doubles were completed in BP New, BSG, Caveham and Town & City.

The Stock Exchange Commission has voted unanimously to move the account day from Tuesday to Monday. When the Tansma becomes operational in 1979,

Equity turnover on July 1 was £57.5m (18,213 bargains). According to Exchange Telegraph, active shares yesterday were ICI, LMSO Ord, BP New Shell, Rank Org, BP Distiller, P & O deferred, BAT Inds, BA deferred, Pilkington, Beecham, T. L. Hanson Trust and Barclays Bank.

Latest results

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Int of Fin	39.39(33.56)	4.03(3.44)	1.75(1.75)	—	—	2.83(2.85)
Airfix (F)	19.44(12.95)	4.99(2.36)	18.51(9.5)	3.1(3.1)	11/10	4.55(1.37)
Allied Colloids (E)	2.9(2.5)	0.24(0.21)	1.94(1.76)	—	—	1.94(1.76)
Blay's (F)	1.8(1.7)	0.22(0.2)	1.4(1.4)	—	—	2.4(1.4)
Corn Ex (I)	—	0.17(0.13)	—	0.98(0.89)	29/7	—(1.78)
Daglan (F)	—	1.8(1.6)	—	1.78(1.78)	1/10	2.92(2.92)
G. Dew (I)	5.5(6.5)	0.48(0.44)	—	1.62(1.62)	9/9	—(3.0)
Distillers (F)	84.7(102.8)	17.44(11.38)	4.42(3.54)	—	14/10	6.43(5.55)
Emray (F)	2.3(3.7)	0.28(0.54)	1.19(2.5)	—	—	—
Hollis (F)	17.5(10.8)	0.72(0.54)	14.17(9.2)	3.23(2.86)	3/10	4.13(3.75)
Imps (I)	1.5(1.3)	0.17(0.12)	67.5(55.1)	4.8(4.6)	—	—
Harris Lebus (I)	6.3(4.5)	0.13(0.12)	6.15(5.8)	—	—	—
Metro Eng (F)	17.8(87.7)	3.7(3.1)	12.48(11.64)	3.25(2.96)	—	4.36(3.94)
P. Priest (F)	9.4(8.5)	1.0(0.75)	—	—	—	—
S & U (F)	4.4(11.1)	0.14*(0.15)	—	—	—	—
S. Sherman	0.91(0.74)	0.005(0.06*)	—	2.8(2.6)	8/8	4.85(4.62)
"Sutton" (F)	38.3(49.1)	4.4(4.9)	7.27(8.56)	4.5(5.5)	26/8	—(11.1)
Tetrahedron (I)	—	0.43(0.49)	—	2.44(1.38)	—	3.25(2.43)
Unif Gas (F)	36.6(32.8)	1.44(1.16)	5.7(5.5)	0.76(0.69)	10/8	—
Wson & Philip (I)	25.9(17.1)	0.51(0.36)	2.9(2.1)	—	—	—
Young, Austen (F)	7.8(10.2)	0.48(0.53)	—	4.08(3.72)	—	4.08(3.72)
Yale Catto (I)	4.7(2.9)	0.94(0.37)	3.02(1.3)	—	28/8	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.54. Profits are shown pre-tax and earnings are net. *Loss.

Maples development site

Dream became nightmare

Yesterday's £11.25m sale of the Maples development site on Tottenham Court Road ends a dream that turned into a nightmare for the stores group. Summing up the events that turned Maples from a market favourite into a penny stock in just four years, group finance director Mr G. A. Clark Hutchinson describes the "foolish" attempt to develop the 11-acre site alone as having "had an adventure into the property market and having done very badly thereby".

Shareholders who have seen the shares plummet from £11.4 at one point in 1972 to yesterday's 13p will no doubt agree with Mr Clark Hutchinson. Funding the development through years of rising interest costs and without the earning power of the chain's major store forced group pre-tax profits from 1973's record £1.3m to a £2.1m loss in 1976. And early hopes of a substantial capital profit on the sale of the completed building have similarly been dashed. The £2.5m value spoken of in 1974 having been written down to £1.4m last year and sold at a £2.5m deficit to that revised book value.

Since the early 1970's efforts to capitalize on the potential of that site have radically altered what had been a traditional, almost solid, furniture store business. Maples was acquired by the Cardiff-based Macowards stores in 1972 and the company was drawn within the orbit of Jessel Securities. In that year

the Tottenham Court Road store closed and the buildings moved in. In 1974 £15m of five year money was raised from a syndicate of banks, adding over £1m a year to the group's interest costs. As development costs rose, property values slumped. Provisions against falling values on top of trading losses increased 1975's after tax loss to £7.6m and Maples left the dividend lists. Last year the group had to present accounts carrying auditors qualifications about the uncertainty of property valuations and showing an after tax loss of £4.4m. To feed the ever more costly development the group's radio rental business was sold for £2.5m and flats on the site were sold to Camden Council for £1.45m.

The sale of the scheme brings Maples—which has now dropped Macowards from its name—nearly back to square one. Jessel Securities has departed the scene, its shareholding is now down to just 4.9 per cent. And the £11.25m, along with Camden's £1.45m and a £400,000 premium paid by the Department of Health and Social Security for use of a laboratory on the site, will pay off the bank syndicate loan. Around £500,000 is needed to complete the building and a similar amount Maples store, due to reopen there next summer.

But the group is confident that it will be able to cover these costs from internally generated cash flow. Mr Clark

Hutchinson reports that the group's 45 British and two French furniture stores are operating profitably, and, although the sale means the loss of £528,000 rental income from existing lettings the firm interest saving allows the group to take a relatively optimistic view of the current year.

At the largest property deal in the West End for several years, the apparently bargain price of the freehold building, representing an initial yield of over 8 per cent, may raise a few eyebrows. However, the consortium of buyers have only 66,125 sq ft of the 114,790 sq ft of office and showrooms occupied and they have permitted Maples to take the 51,000 sq ft store space at 75 per cent of the agreed market value. Maples is paying £125,000 for the store, just £2.45 a sq ft. And as showrooms account for much of the empty space the buying company, Vipvale, is unlikely to match the £8.50 a sq ft achieved on the offices let.

Vipvale is 28 per cent controlled by Bernard Sunley Investment Trust and a similar stake is held by London Mercantile Corporation.

Maples however, which was advised by its joint surveyors, Matthew Goodman and Reley & Baker, is less worried about the pedigree of its new landlord than by the fact that it has finally shed a near disastrous burden.

John Brennan

It's 4,000 years old,
and as new as tomorrow's technology.
It can keep you warm, it can keep you cool,
and it can save your life.
It can be so clear, you don't notice it;
so versatile it can even reinforce cement.
And last year, we employed 30,000 people
to produce it, as well as earning
Britain more than £96 million in foreign currency.

Here's a clue: "Pilkington"

For a company whose success has been built on a single material, Pilkington is remarkably diverse.

We produce glass for the building and automotive industries; flat glass that can provide a whole range of insulating and light-filtering qualities for buildings, and safety glass that can save lives in motor vehicles.

We produce glass fibre—that can do anything from insulating your loft, to reinforcing cement pipes.

We make glass for spectacles, telescopes, and

scientific instruments; as well as optical fibres—the materials that are opening up a whole new age of communications technology.

And we develop our products and the means of producing them in ways that have made us a world leader. Our float glass process, for example, is now licensed to 16 countries, making us a major contributor to Britain's invisible exports.

If you'd like more information about our group, and its results in the last financial year, please send the coupon for a copy of our Annual Report.

Financial Highlights 1977

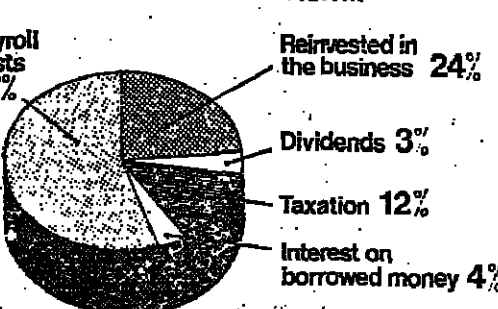
	1977 £m	1976 £m
Sales to outside customers	390.1	303.1
Total Group profit before taxation (including licensing income of £30m—1976 £20m)	62.7	94.6
Group profit after taxation	33.2	14.1
Dividends	6.4	5.7
Profit retained in business	24.0	3.8
Assets employed	506.2	401.4
Earnings per share	51.3p	24.8p
Dividends per share (gross)	16.0p	14.4p

The Pilkington Group worldwide



Distribution of added value

Total to be distributed: £248.1m



To: The Registrar, Pilkington Brothers Ltd., Prescott Road, St. Helens, Merseyside WA10 3TT
Please send me a copy of your 1977 Annual Report.

Name

Address

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PILKINGTON

GLOSSOP

"Profitable growth will increase"

—from the annual statement by the Chairman, Mr. Digby Burnell.

- ★ Record pre-tax profit of £733,796 and margins improved.
- ★ Dividend up to 3.43p, compared with 3.06p for previous year.
- ★ The company will continue to increase its efficiency and profitable growth.

	1977	1976
Turnover	£9,539,922	£9,005,742
Profit before tax	£733,796	£630,482
Profit after tax	£409,801	£330,600
Dividends	£156,624	£134,961
Earnings per share	9.26p	8.24p

Copies of the Annual Report may be obtained from the Secretary, Amfield House, Hipparcholme, Halifax, West Yorkshire HX3 8NF.

W & J GLOSSOP LIMITED
Britain's Premier Road Menders

July 15 1977

MARKET REPORT
FINANCIAL NEWS

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3.23(2.86)	11
2.25(1.75)	11
3.25(2.96)	11
2.81(2.81)	11
4.81(5.1)	11
2.44(1.38)	11
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man Ford to invest £750m

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£200,000 government loan
for A B Engineering

Glasgow-based Associated
British Engineering has reached
agreement with the Secretary of
State for Scotland for a secured
loan of £200,000 to be made to
ABE's principal operating sub
sidiary, British Polar Engines,
under the terms of the Industry
Act, 1972.
The purpose of the loan is
to finance the development of a
new gearbox for use with the
F20 range of marine diesel en
gines, manufactured by British
Polar.
This loan will be free of in
terest for the first two years.
The loan agreement includes
provisions, inter alia, to the
effect that so long as any part
of the loan remains outstanding,
British Polar will not pay any
dividends without the permis
sion of the Secretary of State,

Boots first quarter goes well

By Our Financial Staff
Though the weather in the
opening quarter from April 1
has been less favourable to
retail sales than in 1976, Boots
manufacturing and retail
chemists, "have certainly done
better than the rather
depressed performance of other
retailers", Dr. G. I. Hobday,
chairman, told the annual meet
ing in London this week.
The chairman said that this was
done with the help of group
marketing policies and new and
improved shops.
Of the various sectors, sales
of Boots The Chemist, including
dispensing, rose 17 per cent in
the quarter. On the industrial
side, sales to customers outside
the group were 13 per cent
ahead of the corresponding
period. Froben, its new anti
rheumatic product was now
registered in the United King
dom and some other countries.
Marketing should start soon in
this "important" new product.



Dr. G. I. Hobday,
employees' share participating
scheme.
In the year to end-March last,
it turned in pre-tax profit of
some £91.1m on sales of £733m.

The Milk Marketing Board Annual General Meeting 1977

UK AGRICULTURE
WILL OUTLAST OIL

Transition into EEC

It would be wrong to pretend that as an industry we do not
look back on transition, if not with dismay, certainly with
considerable disappointment. In my address of 1972 I referred
to the decision to join the European Economic Community as
signalling "the end of policies of restriction which the industry
has endured for so many years". A great deal is summed up in
the sad fact that milk production in the year just past was only
marginally higher than in 1972/73, notwithstanding dramatic
growth in cow yields in some intervening years. The main
growth in our industry occurred before the transitional period
began and at no time during transition has the real income of
milk producers reached the level of the early 1970s. I shall
argue that this state of affairs is not a symptom of the poverty
of our national economy - or even caused by that poverty -
but is itself one of the reasons for it: policies which lead to it
are not only inhibiting milk producers, many of whom can
and are, using their resources to do other things, but much
more seriously, adding to the poverty of all Britain.
It was always accepted in the debate before entry into
Europe that food would become relatively more expensive
than it had been. It was understood that this would assist the
farmer and would result in the expansion of British agricul
ture. There can be no doubt that the price of food has risen but
primarily as a result of inflation. By May this year, the retail
price index for food items was about 115 per cent higher than
in 1973 (over the same time period the index of average earn
ings increased by around 130 per cent). A formidable increase
but, even so, it was only a mere 1 per cent more than the rise in
the retail price index as a whole over the same period. It is
clearly not the EEC or British agriculture that is responsible
for the increase in the price of food but a rate of inflation with
out parallel in our history. Furthermore, it is not only the
products covered by the Common Agricultural Policy that
have become more expensive. One has only to think of what
has happened to the prices of such commodities as fish, coffee,
tea, fruit, vegetables and potatoes to realise that there have
been far wider influences than the EEC affecting the price of
food.

Inflation and Food Consumption

Another consequence of inflation is that it results in a loss of
perspective. It is true that in the last year or two, consumers
have had to spend a growing proportion of their incomes on
food, an unusual feature in a developed country. However, the
reason is not so much the relative rise in the price of food as the
fall in real incomes resulting from inflation and depression.
Even so, consumers are still spending less than a quarter of
their incomes on food, a smaller proportion than they were in
the early 1970s.
There is a depressing tendency for people to assume that the
whole benefit of higher food prices flows to the farmers. No
thing could be further from the truth. On average, the farm
gate price is only half the cost of the product that the consumer
buys. The other half is accounted for by processors' costs and
the margins of distributors. Even in these terms the dairy
industry provides the British housewife with a remarkable
service. In the United Kingdom, in 1975, the cost of process
ing and distributing liquid milk added about 80 per cent to
the price received by the producer. In other EEC countries, the
on-cost was anywhere between 100 and 125 per cent. More
over, the British housewife enjoyed the convenience of having
her milk delivered to the doorstep and did not have to collect
it from a shop as in the rest of the Community.

Food Prices

In real terms the price of milk and dairy products has
tended to decline and is certainly much less than say 10 years
ago. The number of minutes taken by the average male wage
earner to earn the price of a pint of milk in 1976 was only 3½
compared with 5½ in 1966. The number of minutes taken to
earn the price of a lb of cheese - English Cheddar - in 1976
was 20½ compared with 25½ in 1966. The real cost of that most
politically sensitive of all products - butter - has also been
reduced in the same time span. In 1976 it took 16½ minutes to
earn a lb of butter and in 1966 it took 23½.
When the prices of milk and dairy products are looked at
internationally in a similar way, it is found that, over many
years, the British pint of milk has been cheaper than in any
other country apart from Denmark, New Zealand and Sweden,
while a lb of butter cost less only in New Zealand.
I make these points not in the hope of persuading consumers
that price increases are to be welcomed but in order to inject
a little perspective into a subject that arouses such deep
emotions that all sense of proportion is liable to be lost.
Our Board is, first and foremost, a marketing organisation
and, as such, our first concern is with markets and with the
consumers of which they are made up. This is why, over the
years, we have devoted so much time, effort and money in
promoting these markets. Many of our activities in improving
the quality of the basic milk supply and the efficiency with

From the Address
by the Chairman
Sir Richard Trehane

which it is marketed are under
taken because we care about
consumers of our products and
our own competitiveness in
serving them. Thinking of our
activities in this way, it has
been of the deepest concern
to us to see farmers' interests
being portrayed as in conflict
with consumers or even in
conflict with the interests of our
country.

Wanted—Fair Competition

In handling our markets we do not fear competition from
whatever source - indeed over the years we have thrived on it -
but we do expect it to be fair competition. At the present time
(mid-1977) because of the operation of the Green rates of
exchange and the system of monetary compensatory amounts
that support it, German milk producers, who last year
exported 43,000 tonnes of butter to our market, were subsidised
by the taxpayers of the whole Community to the extent
that they received a price of £2,135 per tonne for it. In the
same way Irish producers obtained £1,520 per tonne, French
producers £1,645 per tonne and Dutch producers £1,985 per
tonne. Meanwhile the price to UK producers was £1,142 per
tonne. A system which creates such wide differences in price
between producers supplying the same market is bound to be
a source of serious distortions which are certainly not going to be
in the general long-term interests of the UK. The system obviously
discourages milk output in the UK which is already a deficit
area and encourages it in other parts of the Community
which are already largely in surplus. The effects on consump
tion are similarly adverse. This again leads to a further boost
ing of the economies of the countries in the Community which
are already strong, by the encouragement of their exports and
a further weakening of the UK economy through the acceptance
of a system which leads to these imports.

In any consideration of butter prices on the UK market we
must appreciate the true position of these in relation to the
price which New Zealand receives and the so-called "world"
price that the Commission uses to calculate import levies. The
"world" price in this context is based on trade in a few tons
and tons of butter that would be completely inadequate to
supply the UK market. The price New Zealand obtains is no
indication of the price they would receive if the UK were not in
the EEC. New Zealand is in fact currently asking for an
increase in its price from the Community of nearly a quarter.



Subsidised Butter

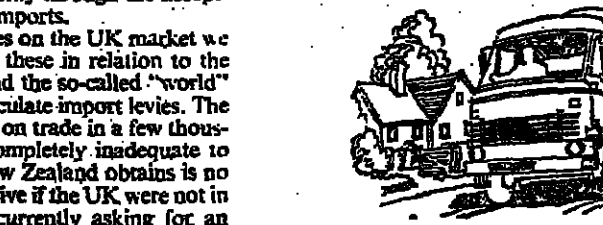
Price of British entry to the EEC, butter in the UK was
cheap because overseas suppliers exempt from New Zealand
were prepared to subsidise their exports here. An analysis of
these subsidies in 1968, for example, shows European countries
(and Australia) subsidising butter sales to the UK by
between £60 and over £400 per ton. There is no doubt that
subsidies would now have to be very much larger than this to
lower butter prices in the UK below their present levels. To
support the present size of our market, on the other hand, at
the present price, some supplies at least would have to be
drawn from EEC countries. Either in or out of the Common
Market therefore the price of butter on the UK market will
depend on the EEC, on the policies it adopts towards export
restitutions and on its policies towards the level of milk pro
duction within its borders. As a non-member of the EEC, the
UK would have no voice in the formulation of these policies.
Whatever these policies were, if the UK withdrew, it would
hardly be surprising if the EEC adopted a different policy to
wards a country that had decided to leave "the Club" than
towards other countries that had never been members.
Pondering on these impossibilities, it would seem foolish, if
not downright misleading, for anyone to be euphoric that the
UK might enjoy lower butter prices if it were outside the EEC.
Looking back over where we stand as we approach the end
of transition, it is the distortions that have been produced in
dairy production, processing and marketing through a suc
cession of events culminating in the massive fall in the commercial
rate of exchange in the latter half of 1976 which have been the
most disturbing feature. Most of the disturbing effects were un
foreseen in 1972 and the early part of 1973 but there has indeed
been a general failure by successive Governments to take
action in time, with the result that there has been a massive
stimulus to UK imports from Community sources producing
at higher cost than in the UK.
Let us not forget either that the Treaty of Rome specifically
sets out, as one of its aims, encouragement of the best use of
the Community's resources by rationalisation of production in
the areas of the Community best suited to it. The situation that
I have described in fact has the contrary effect.

Producer Prices

In the recent price review decisions the Community Target
Price was raised by 3½ per cent above the level prevailing in the
winter of 1976/77. Over the year 1977/78 it will average just

From the Address
by the Chairman
Sir Richard Trehane

under 5 per cent above 1976/77,
but are in arrears since that date.
There has been no ordinary pay
ment since 1965-66.
ABE has had a chequered history.
In the year to March 31, 1976,
it made a profit following the
previous year's loss.
The board reported in its
annual statement that it would
not be realistic to expect the
rate of restoration of the
group's order book to be speedy.
But a continuance of the satis
factory spares order intake was
expected to provide a further
modest improvement in results,
in the short-term.
However, in the half-year to
Sept 30, 1976 there was a net
loss of £4,000, compared with a
profit of £20,000 in the previous
first half.



World Food Situation

At a time when life is far from easy, either for dairy farmers
or the British nation as a whole, it is tempting to concentrate
attention on our own problems and to ignore the world
around us. But we are too small a part of that world to insulate
ourselves from it. Only three years ago, we were desperately
concerned by the shortage of wheat caused by events that were
unexpected and over which we had no control. But memories are
short.
In dairying, there has been so much discussion of surpluses
during the last two years that it has surely been overlooked that
the growth of world milk supplies during this decade has
fallen behind the growth in population. Taking one year with
another, there has been an increase in milk supplies of only
about 15 per cent a year.
Many developing countries, who like ourselves, have been
improved by the increase in oil prices and inflation, are
even less able than in the past to buy dairy products and must
rely on food aid.
In this respect the record of the developed countries has
been no more impressive for dairy products than for cereals.
Despite the accumulation of stocks of skim milk powder,
approaching two million tonnes, food aid supplies in each of
the last two years have not been much more than 100,000
tonnes.
Even though we in the developed countries have had a diffi
cult time in the last three years as a result of depression and
inflation, surely we are not so badly impoverished that we
cannot finance the food aid required to sustain some of the
world's poorest people at the minimum level of nutrition.

UK Expansion Policy

I have already touched upon the disappointment that the
Board - and I believe the industry generally - feels at the lack
of expansion in the transitional period. The dairy cow popula
tion was reduced between 1973 and 1976 more sharply than in
any comparable time period. This time last year it was our
hope that in 1977 we should be seeing some recovery in evi
dence in cow numbers. Regrettably this is not proving to be
the case and we can only say that the decline in the last two
quarters Census Returns in the number of dairy beefers-in
calf is again one of the sharpest recorded, yet seems to have
been accepted calmly in Whitehall. There is no clearer indica
tion of the fact that investment by the industry is at a low ebb
and insufficient to maintain production in the long term. In the
current year there will be some recovery in milk output due to
more normal weather patterns, but this will still not put us
back on the growth path envisaged in "Food From Our Own
Resources". There has been a strong inclination in public dis
cussion, particularly that surrounding the re-opening of the
EEC debate by the anti-marketers, to question the relevance
of the arguments for expansion and to cloud them especially
with the European surplus problems. While the objectives for
expansion of individual commodities within the time period
envisaged by the Government are certainly now unattainable,
the arguments about the need for that expansion do not seem
to me to have altered in any way. They were primarily:
1. the likelihood of increasing world food shortages in the

Oil is no Panacea

In my judgement there has been a dangerous tendency to
discuss the case on the assumption that North Sea oil will
solve all our problems. I submit that, important as North Sea
oil is, it will not turn out to be the panacea for our economic
difficulties unless advantage is taken of the breathing space it
will provide to bring about a fundamental restructuring of the
British economy. Unlike the fruits of our land, which can be
maintained indefinitely for the benefit of our country and its
people, North Sea oil is certainly a finite resource that is likely
to be exhausted within the working lifetime of a generation.
The balance of payments surplus it will produce will have
heavy strain placed upon it. Massive debts have been accumu
lated from past balance of payments deficits. Government
services in health and education have been cut and unemploy
ment is mounting to an unacceptable level while the oppor
tunities for export-led industrial growth in an increasingly
competitive world are becoming difficult to find.
A substantially strengthened UK currency, to which agri
cultural expansion would contribute, along with oil, would
indeed enable the UK to play a much more positive role in the
development of the European Community now that our
transition is nearly complete.

Markets and European Surplus

In talking about the expansion of our industry we do not
indeed since we operate in the market place day-by-day, we
cannot - lose sight of the problem of the European surplus of
dairy products. We do not happen to believe that a right and
proper part of the solution to that problem should be a serious
and deliberate handicapping of the UK industry. Judged by
the pressure in Brussels for a devaluation of the Green £, it is
clear that the collective wisdom of the Commission does not
think so either. For its part, the Board has not adopted non-
Communitarian attitudes and has urged producers to support
the general package of measures to be taken on a European
basis to solve the surplus problem.
Our cultivation of the liquid market has not been achieved
solely by promotional activities but by the work of the whole
industry on improving the quality of the product and the
service behind it. This is an effort that our partners in the
Community could follow to everyone's advantage.

Services to the Farmer

The Board is the only sizeable organisation in the world that
covers the whole spectrum of dairying from bull to butter. It
has always accepted a responsibility to provide farmers with
the services they need to help them in the efficient and profit
able promotion of their businesses. The range now offered on
this side alone, comprising artificial insemination, milk
recording, milking machine testing, costing and advisory
services, and veterinary services is, we believe, more compre
hensive than that provided by any other single organisation
anywhere in the world.
The Board are determined that their services will continue to
progress in the future and that the investment in the pain
staking research and development required to provide a sound
base for effective progress will be maintained. Only in this way
can we ensure that in the future our farmers will have the tools
they need to enable them to maintain their competitive position.
We shall adopt the same philosophy in all the activities
that we undertake on behalf of producers.

In Conclusion

It is appropriate that at this meeting each year we record our
appreciation for the co-operation and assistance we get from
many people: milk producers, the National Farmers' Union,
those who buy our products and supply our requirements, the
Press, the immensely loyal body of the Board's staff and many
others. Especially in this, my twentieth and last address to
producers in annual meeting, I would like to record my
personal thanks and appreciation for the tremendous support
and understanding that I have received myself from all these
sources. In particular may I thank my most immediate col
leagues, my Vice-Chairman and fellow Board Members and
senior members of staff.



Copies of the full Address and the Annual
Report are available from: Public Relations
Division, Milk Marketing Board, Thames
Ditton, Surrey KT7 0EL. Tel: 01-398 4101.

FINANCIAL NEWS AND MARKET REPORTS

All-round sales fillip plus better margins spur Allied Colloids

By Alison Mitchell

An across-the-board increase in sales coupled with the benefits of a capital expenditure programme filtering through, has given Allied Colloids, the specialty chemicals manufacturer, almost doubled profits.

On turnover which rose from £12.9m to £19.4m in the 12 months to April 2, the group turned in pre-tax profits of almost £5m against £2.4m previously.

And not even a warning by Mr Jack Dawes, chairman, that this level of profit increase was unlikely to be repeated could dampen the enthusiasm of the stock market yesterday, where shares were marked up 7p to 232p at one time.

Most of the improvement has come from an increase in sales. During the period Allied did not raise prices significantly, but overhead costs per unit dropped as the volume increased, the group benefited from better margins.

Allied supplies additives to speed up or improve the chemical processes of manufacturing and industrial companies, and has over 100 customers throughout the world. Almost 70 per cent of turnover relates to overseas sales, and Mr Dawes disclosed that the group has a small but growing market in the Eastern European countries.

Over the past decade pre-tax profits have risen steadily but last year's spectacular increase was "exceptional", and Mr Dawes gives a warning that it would be unrealistic to expect it to be maintained.

However, sales in the first three months of the current year are up 25 per cent on last time and if this continues, it would give the group pre-tax profits of around £2.5m at the half-way stage.

For shareholders there is a final dividend of 4.62p gross bringing the total for the year to 6.85p, as forecast in the chairman's statement. This compares with 2.12p last year. There will also be a two-for-one scrip to make the shares more marketable.

Last year's rights issue, which raised about £1m, is to be used to expand the group. According to the chairman there is to be a bigger spending programme this year with money going on both plant and machinery.

Finishing at 232p yesterday, the shares offer a gross yield of 3 per cent and a p/e ratio of 12.3.



Mr R. W. "Tiny" Rowland, chairman of Suits.

Suits dips to £4.49m before tax

The latest annual figures from Scottish & Universal Investments, in which London now has a stake of almost 30 per cent, show that pre-tax profits dipped from £4.92m to £4.49m in the year to March 31. This was in spite of turnover rising from £49.15m to £53.33m.

Although earnings per share (before extraordinary items) are down from 8.56p to 7.27p, the final gross dividend is going up from 4.01p to 4.35p. This lifts the total from 7.1p to 7.46p.

Pre-tax profits were struck after depreciation up from £503,000 to £718,000, a jump in interest payable from £79,000 to £249,000 and associated company losses of £289,000, compared with £278,000. But they include interest, investment and other income of £1,066m against £1,450m last time.

Profits, after tax, fell from £2,780m to £2,260m. But there are no extraordinary items to be deducted this year, compared with a £524m charge last year. Suits' shares dropped by 1p to 89p yesterday.

Suits' pre-tax profits hit a record £5.44m in 1974-75, but then fell to £4.92m in the following 12 months.

In the half-year to September 30, turnover was up from £22.2m to £27.7m, but pre-tax profits fell from £2,670m to £2,560m. The board explained that the profit decline reflected a reduction in sales margins in some divisions and an increased financing requirement.

Suits' activities cover printing, publishing and bookbinding, printing, engineering, cleaning, textiles and so on.

The year's pre-tax result was expected to be in line with the previous year's.

In March, Sir Hugh Fraser, then chairman of Suits' told the board that he and other members of his family and family trusts had sold to Lorrain 7.46m ordinary shares in Suits (24 per cent of the capital) at 95p each.

Sir Hugh stepped down from chairman to deputy chairman in favour of Mr R. W. Rowland, who was appointed Suits' chairman.

Overseas decline fails to stop United Gas marching to peak

By Victor Felstead

In spite of a fall in results from overseas offshoots, United Gas Industries managed to push its pre-tax profits up by 24 per cent in the 53 weeks to April 3 to a peak of £14.3m—just beating the previous record of £14.2m achieved in 1974-75.

Sales rose from £33.83m to £36.66m. A breakdown of profits shows that sales of the United Kingdom companies expanded from £23.63m to £28.88m and trading profits from £903,000 to £1,490m. But, although the sales of overseas subsidiaries were up from £8.19m to £7.77m, trading profits slumped from £658,000 to £346,000.

The tax charge is up, but there are no extraordinary items to be deducted from last year's profits.

United's continued recovery at home is mainly due to its two appliance companies—Robinson Willey and Berry Magdalen—each of which performed "very satisfactorily" in spite of the poor state of the appliance market generally.

Abroad, however, United suffered from what has become a regular cycle caused by the relatively large and long-term gas-station contracts being manufactured by United's German gas-control company, In 1975, United had a surplus on gas contracts of £1.2m, a deficit in 1976, and a surplus in 1977, a surplus of "almost certain".

The results of the other trading companies were in line with expectations.

At the same time reporting full-time results to March 25 showing it had recouped its 1975-76 setback, Benjamin Priest & Sons (Holdings) announces a rights issue to raise about £500,000. Priest is to issue some 1.4m new ordinary shares by way of rights on a one-for-three basis at a price of 45p. This is at a discount of 17p on the share price before the news.

Morgan Grenfell has underwritten the issue and Smith Keen Cutler are the brokers.

At half-way better demand was helping the group to fight back from the reverse in the preceding year when profits fell £246,000 to £754,000. A tight grip on costs allowed interim pre-tax profits to rise by 26 per cent to £432,000. But the year's results, reported in February, were not optimistic on the second-half. In the event pre-tax profit climbed from £34,000 to £1m—an increase of 33 per cent for the full year. This was achieved on turnover up from £8.7m to £9.9m. After extraordinary items of £139,000 for good will written off on the acquisition of a subsidiary, against £31,000, the attributable slipped back from £384,000 to £332,000. Earnings a share calculated on profits before the item, and based on 3.7m shares (against 3.5m), rose however from 11.6p to 12.4p.

It gives as reason for its rights issue that until recently the company had financed its working capital requirements and capital expenditure mainly out of cash flow.

It pays a total dividend raised 10 per cent to 6.5p gross for the year just past. For the current year the board predicts total dividends of 7.76p gross on the enlarged equity. This represents an increase of 15 per cent.

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Treasury agreement has been obtained.

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Swiss now hold near 30pc of Provincial

By Our Financial Staff

The chairman of Provincial Laundries, Mr Arthur Ball, has sold around 20 per cent of his holding in the group to a Swiss investment company.

Added to the shares it has already bought through another source this gives UBI Service Industries Holdings a 29 per cent stake in Provincial.

Mr Ball said yesterday that he had been contemplating resigning from the board for some time and decided to sell the shares after being approached by UBI. The Swiss company assured him they were holding the shares "purely as a long-term investment".

Over the past few years Provincial has had an erratic profit record. But Mr Ball told shareholders in his annual statement that the group is maintaining an aggressive sales policy and expects a continuing upward trend in turnover.

Provincial also plans to increase its business both through internal growth and through acquisition or merger. Mr Ball, who took over as chairman last year, said he had been hoping to expand the board for some time, and at UBI's suggestion, Mr Brian Burnett has joined the directors.

Mr Ball will be announcing his resignation to shareholders at the annual meeting. For reasons of ill-health he feels he cannot continue to travel between his South of England home and the company's Newcastle offices.

Sears sells bulk of stake in Freemans

By Our Financial Staff

Sir Charles Clere's Sears Holdings has sold the bulk of the 20.3 per cent stake in Freemans (London SV9), the mail order concern, which it built up in 1973 and 1974.

Out of a total holding of 4.7m shares, Sears yesterday sold 4.2m shares by means of a placing through the stock market by its brokers, Joseph Sebag.

In a statement last night Sears said the disposal had produced a "satisfactory profit" of £1.5m, after releasing £3m to augment the existing cash resources available to the Sears group. The remaining 500,000 shares—just over 2 per cent of the equity—were being retained as an investment.

Sears sales came only shortly after the emergence of the first time that Great Universal Stores, a market leader in the mail order field, was a holder of just under 10 per cent of Freemans. This holding was revealed on April 14 to comply with the new companies Act requiring companies to declare share stakes of more than 5 per cent.

Sears at one time showed a clear interest in making a bid for Freemans. At the end of 1972 merger talks were held, but Freemans told Sears that it wanted to remain independent. Nine months later in August 1973 Sears revealed that it had bought 12.4 per cent of the equity. However, when and August 1974 Sears was a regular buyer, taking its stake up to the 20 per cent mark.

In view of the GUS stake it now appears that any unwelcome bid from Sears could have faced strong opposition, since the board of Freemans appears to have around 13 per cent itself.

Freemans has recently been achieving significant growth in profit. Its results for the year to the end of last January showed profits up from £3.2m to £10.8m, and the chairman, Anthony Rampton, forecast both sales and profits for this year in his annual report. Last night, Freemans shares closed 5p lower on the stock market at 226p, where the company is capitalized at £52m.

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Ben Priest in one-for-three cash call

By Ashley Druker

At the same time reporting full-time results to March 25 showing it had recouped its 1975-76 setback, Benjamin Priest & Sons (Holdings) announces a rights issue to raise about £500,000. Priest is to issue some 1.4m new ordinary shares by way of rights on a one-for-three basis at a price of 45p. This is at a discount of 17p on the share price before the news.

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Eleventh peak year turned in by Airfix Industries

Toy group Airfix Industries is still producing record figures.

In the year to March 31, profits, before tax and minorities, rose from £3.44m to £4.03m on turnover up from £33.66m to £39.39m. As indicated in June last year, a final dividend of 2.7p gross is being paid. This maintains the total at 4.39p—but it is being paid on capital more than doubled from 12.33m to 25.96m shares. The capital was enlarged by a rights issue and enfranchisement scheme.

Earnings per share (adjusted for the rights issue) are unchanged at 7.6p.

Mr Ralph Ehrmann, the chairman, said: "I look forward to further progress in the current year. A salient point in the accounts which will be published on August 19, is the increase of assets per share from 43.3p to 61.5p."

This is the eleventh successive year Airfix has produced record results.

Howden marks time but looks to better year

With the second half bringing in £3.1m against £3m a year ago, the Howden Group ends the year to April 30 with a pre-tax profit of £4.64m against £4.66m. This is a better performance than seemed likely at half time, when profits were depressed by a loss of £700,000 on the industrial refrigeration interests, and the board thought that a fall for the full year was likely.

Shareholders are to receive a dividend of 5.5p against 4.9p gross, while earnings a share are up 5p to 12.4p.

Mr K. V. Grob, the chairman of this air, gas and fluid-handling equipment group, says that orders are good and the results for the current year should be satisfactory. He is also looking for a "significant" increase in earnings a share.

As was foreshadowed at half time, the refrigeration companies in Italy, France and Switzerland have been closed. This followed losses of the Howden Holmia Refrigeration Group and the continuing lack of business in the industrial refrigeration market.

The electronic control and insulated panel manufacturing facilities within the same group have been sold. Closure and disposal cost amounting to the aggregate of £566,011 have been written off as extraordinary items in the year under review. The major outflow of funds caused by losses has been stemmed by the action taken.

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Back to dividends at Dover as Newman opens talks

The Dover Engineering Group bounced up from a pre-tax profit of £24,000 to one of £155,000 in the 12 months to March 31. With this good news yesterday came the announcement that Dover has been approached by Newman Industries which could lead to an offer being made for the capital of Dover other than the 25.93 per cent already owned by Newman.

Mr Newman, who has been appointed advisers to Dover.

In 1976-77, Dover's sales were up from £3.63m to £4.62m. A dividend of 0.5p is being paid. Dover last paid a dividend—an interim—in March, 1974.

A big profit improvement, the board explained, reflects the maintenance of progress and better profits forecast earlier. In spite of the uncertainties, Dover has expanded its trading and maintained higher margins through a decrease in exports. The balance sheet shows a "considerable improvement" in net current assets, with bank overdrafts cut from £13.4m to £972,000.

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Gen Elec (US) up to expectations

Mr Reginald Jones, chairman of the General Electric Company of America, said in New York that the 1976 quarter had been particularly strong and had included a record pre-tax profit of \$20.7m (about £12m) realized on the sale of the company's investment in AEG-Telefunken.

Mr Jones said: "The improvement shown in this quarter is gratifying and is in line with our expectations for continued improvement in 1977 over 1976, despite the strengthening during the latter months of last year."

He said that sales and earnings for the company were strong, particularly in the industrial components and systems consumer goods and industrial power equipment were well ahead of the 1976 quarter.

The international category had higher sales, but earnings were down primarily because of the AEG-Telefunken sale. Aerospace sales and earnings were up slightly, Mr Jones said.

Govett (Far East). Hoare Govett forecasts Hutchison's 1977 net profit at \$HK115m compared with \$HK79.1m, plus a further increase to \$HK138m in 1978, not including full consolidation of HK Dock. Net earnings of HK Dock for 1977 were forecast at \$HK102m against \$HK89.3m, rising to \$HK113m next year.

Briefly

Best yet at Mann Egerton

Mann Egerton, now a subsidiary of Inchcape, reports increased profits for the eleventh year running. On turnover increased some 20.5 per cent to £117.8m for the year to March 31, pre-tax profit rose 18.4 per cent to £3.7m. Interest charges were down 50 per cent to £176,000. Earnings a share show a rise from 18.4p to 21.4p.

Since the year-end a successful bid has been made for Lighting and Leisure Industries. Generally, the motor division continued to account for some 96 per cent of group turnover and 95 per cent of pre-tax profits. Demand for Leyland parts was buoyant and in spite of a strike in a Leyland distribution centre, a significant growth in turnover was achieved. This was especially so in the second-half. The progress has been sustained in the present term.

Back to dividends at Dover as Newman opens talks

The Dover Engineering Group bounced up from a pre-tax profit of £24,000 to one of £155,000 in the 12 months to March 31. With this good news yesterday came the announcement that Dover has been approached by Newman Industries which could lead to an offer being made for the capital of Dover other than the 25.93 per cent already owned by Newman.

Mr Newman, who has been appointed advisers to Dover.

In 1976-77, Dover's sales were up from £3.63m to £4.62m. A dividend of 0.5p is being paid. Dover last paid a dividend—an interim—in March, 1974.

A big profit improvement, the board explained, reflects the maintenance of progress and better profits forecast earlier. In spite of the uncertainties, Dover has expanded its trading and maintained higher margins through a decrease in exports. The balance sheet shows a "considerable improvement" in net current assets, with bank overdrafts cut from £13.4m to £972,000.

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Kubota buoyant

Kubota, the Japanese agricultural machinery maker, expects sales for the year ending April 15 to be 10 per cent or more higher than the preceding year, when sales totalled 494,200m yen (about £1,000m). The company said it was unable to predict net income on the same basis for the year in view of severe economic prospects and increased competition from local firms. Net income last year rose by 13.5 per cent to 21,600m yen.

Tenneco ends deal

Tenneco LNG, Incorporated, of Houston, and Lormetern LNG, of Montreal, have agreed to end negotiations on a contract whereby Lormetern would build and operate a vaporization terminal near Saint John, New Brunswick, to process Algerian liquefied natural gas for piping to America. The companies were unable to reach agreement on the terms of the contract.

Hoechst-Calbiochem

Calbiochem and American Hoechst Corporation, a subsidiary of Hoechst AG, have agreed in principle to an acquisition of Calbiochem by Hoechst for \$20.8m. Calbiochem, located in La Jolla, makes specialized chemicals and pharmaceuticals. Last year it had a net loss of \$231,518 on revenue of \$15.1m. In this year's first quarter it earned \$76,963 on revenue of \$3.4m.—AP-DJ.

United Carriers

Transport Development Group has bought 100,000 shares, increasing holdings to 1,325,200 shares (10.8 per cent).

Wilson (Connolly)

Shares rose on news that board proposes to scrip issue of 1 new second preference share for every 10 ordinary shares held.

Roberts Jenkins

Roberts Jenkins, a London-based company, has sold to National Bank the Capital Tower Office building at Bourke Street, Melbourne for about £47m.

ALPINE HOLDINGS

Present auditors, Aram, Berlyn, Gardner and Thomson McLaren, are to resign. Arthur Anderson is to be appointed. Alpine intends to expand into complementary activities.

ROBEY RESIGNATION

Mr Michael Reynolds CBE has resigned as managing director of Spar by mutual agreement with Spar board. Board acknowledges his major contribution to bringing Spar to its present position of strength in the food trade.

MEARS BROS

Yesterday's report on Mears Bros Holdings should have made clear that the future of the company was uncertain. It was undecided, not A. Long & Co, which is trading well. Referring to the group as a whole, Sir George Mears said that trading in the first-half to March 31 had been encouraging.

GRAHAM WOOD STEEL

Turnover for year £3m (£5.5m). Pre-tax profit £420,000 (£218,000). Earnings a share (2.44p). Total dividend 2.97p gross (£2.71p).

ALLIED CHEMICAL

Allied Chemical Corporation, of America, said its operating income from its energy line improved significantly in the second-quarter over the same period a year ago. This re-

Hutchinson-HK Dock

Estimated fair terms for the merger of Hutchinson International with Hongkong Dock Co would be an effective share exchange scheme on the basis of three Hutchinson for one HK Dock, said stockbrokers Hoare

TRUST BANK OF AFRICA

Shareholders representing 25.34 per cent of the shares have accepted offer by Bank Holding Corp of South Africa. Bank now owns 60.48 per cent of Trust Bank shares.

CROWN AGENTS SALE

Abbey Capital Holdings (Crown Agents Australian property subsidiary) has sold to National Bank the Capital Tower Office building at Bourke Street, Melbourne for about £47m.

RECENT ISSUES

Debenhams' chairman Sir Anthony Burney is confident that 1977 will be another good year. He told the annual meeting that the company has been able to improve profit margins since the start of the trading year, and the sales trend has been generally satisfactory despite the adverse effect of poor spring weather.

In the year to January 29, pre-tax profits were £20.45m on sales of £375.55m.

Commodities

Commodity	Unit	Price
COPPER	lb	1.10
LEAD	lb	0.18
NICKEL	lb	0.12
SILVER	lb	0.08
ZINC	lb	0.15
WHEAT	bu	1.20
BARLEY	bu	0.80
RYE	bu	0.90
MAIZE	bu	0.70
SUGAR	lb	0.10
COFFEE	lb	0.15
TEA	lb	0.10
CLOVE	lb	0.10
PEPPER	lb	0.10
SPICES	lb	0.10
FRUIT	lb	0.10
VEGETABLES	lb	0.10
MEAT	lb	0.10
FISH	lb	0.10
EGGS	doz	0.10
DAIRY	lb	0.10
ALCOHOL	lb	0.10
DRUGS	lb	0.10
MINERALS	lb	0.10
OTHERS	lb	0.10

Foreign Exchange

Country	Rate
USA	1.48
Canada	0.72
France	6.55
Germany	2.36
Italy	1.36
Japan	163.60
Switzerland	2.00
Netherlands	2.20
Belgium	36.36
Australia	0.75
New Zealand	0.47
South Africa	0.67
India	0.03
Pakistan	0.03
Bangladesh	0.03
Sri Lanka	0.03
Malaysia	0.03
Singapore	0.03
Thailand	0.03
Philippines	0.03
Indonesia	0.03
Brunei	0.03
Maldives	0.03
Other	

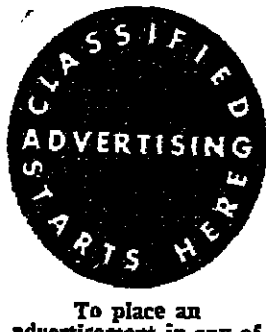
Defensive marking down

§ Forward bargains are permitted on two previous day.

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